

No fundamental change for two years

## Heseltine offer to Labour on poll tax reform

By PHILIP WEBSTER AND DOUGLAS BROOM

MICHAEL Heseltine began his mission to neutralise the poll tax last night with an audacious offer to opposition parties to co-operate in a full review of the structure and finance of local government.

His unprecedented invitation to his opponents to join in an investigation that could result in the abolition of the charge surprised both sides of the Commons. "No options are ruled in and no options are ruled out," he declared.

Mr Heseltine used his first ministerial speech for five years to make plain, however, that no fundamental changes could be implemented in under two years, or before a general election, although he indicated that shorter-term changes were possible. "Our review could well identify a programme divided into quite different time perspectives. It may well be that what is required is a programme of building blocks constructed logically and carefully towards a clearly defined objective."

He refused repeated requests to say that he would abolish the charge, but it was

clear that the scale of the review would be far greater than most MPs and ministers expected. The time had come to address both the structure and finance of local government together, something that had eluded successive governments for a quarter of a century, he said.

The review will be the most extensive inquiry into local government since the Redcliffe-Maud commission of the early Seventies laid the foundations for the present structure of county, district and metropolitan councils. It is expected to include proposals to replace some or all counties and districts with single-tier councils. Annual elections, directly-elected mayors and other ideas previously floated by Mr Heseltine will also be considered.

Mr Heseltine said he wanted to take the matter "beyond the narrow bounds of party political conflict". His offer to explore "common principles for the future role and direction of local government" was scorned by Labour, but appealed to the smaller parties.

Labour has only recently completed its own review which opted for a return to a fairer and modernised rating system. Bryan Gould, the shadow environment secretary, told Mr Heseltine last night that his offer could be treated seriously only if there was a clear commitment to the abolition of the poll tax. "We have no intention of being drawn into a cosmetic exercise designed to tinker with the poll tax and to conceal the fact that you have no serious proposals of your own," Labour would consult only on the basis of its own rates proposals. If the government went down that route, Labour would guarantee swift passage to any legislation.

Paddy Ashdown, the Liberal Democrat leader, last night wrote to the prime minister welcoming the overture. "If this is a sign of a new style of government under your leadership I thoroughly commend it," he said, adding that his party would try to persuade others of the good sense of a local income tax.

In the Commons, Mr Heseltine was adamant that there could be no quick fix. "There is no prospect whatsoever that a final answer can be designed, passed through Parliament and implemented in under a two-year timescale. Under a matter of hard reality." That was not an

excuse for prevarication or delay. "I am not here to set a rigid timetable for our review. I cannot anticipate what agreements can be found. I can only promise to listen with care, to decide with my colleagues on the way forward once our review is complete and then to act with determination."

"Taxes we advocate must be seen to be fair. The British public must be persuaded that the arrangements proposed at the conclusion of this review will be fair. Our priority must be to address their concerns as fully as possible." The relationships between central and local government must be put on a healthier footing, to replace conflict with partnership.

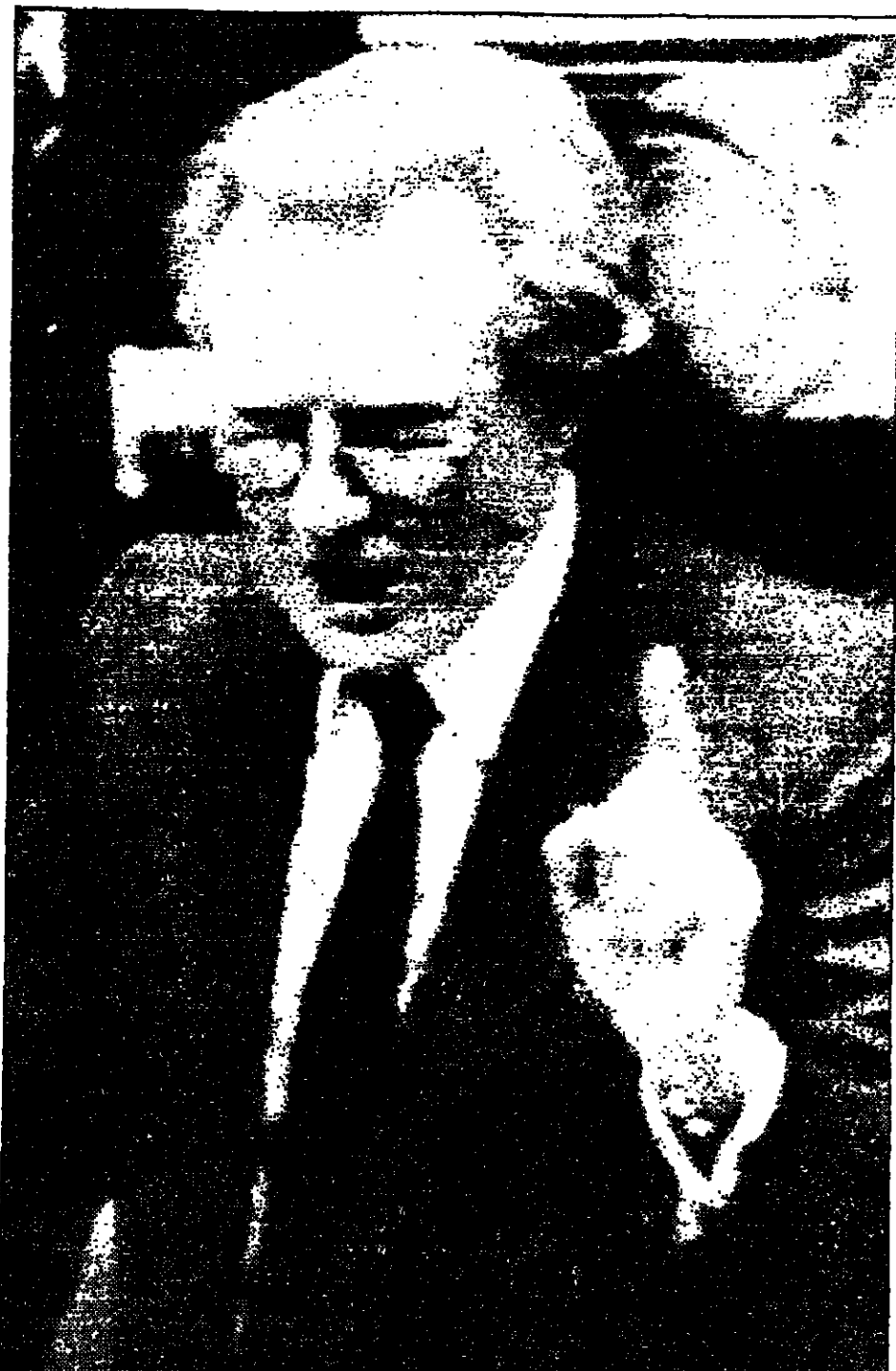
Mr Heseltine's commitment to review municipal structure opens the way for detailed evaluation of his own preferred schemes for returning county borough status to big towns and cities not at present metropolitan boroughs. He has already asked officials to examine the feasibility of the scheme.

The Conservative-led Association of County Councils, whose members could face abolition if the review recommends single-tier local government, welcomed the offer to listen to all advice, and agreed that structure and finance should be considered together.

Sir Jack Layden, chairman of the Labour-controlled Association of Metropolitan Authorities, said: "We hope that Mr Heseltine can give us some answers quickly so that we can administer the last rites of the poll tax efficiently and fairly."

Time running out, page 2  
Parliament, pages 6-7  
Leading article, page 13

If I paid the poll tax, would the government buy me a house?



Come and join us: Michael Heseltine extending his poll-tax invitation yesterday

## 'White paper' on Europe delayed by the cabinet

By ANDREW McEWEN, DIPLOMATIC EDITOR

THE government has delayed or shelved plans to produce a white paper soon setting out its policy on Europe amid hints that a cabinet consensus may be harder to reach than expected.

A senior source said that the cabinet did not want such a paper at this time, and was uncertain that it would ever be produced. Surprisingly the intention to produce it was announced only last week and this reversal appears to reflect continuing differences over European policy.

Margaret Thatcher's resignation settled arguments over style and presentation, but has reopened important questions of substance. The cabinet is thought to be heading for gradual acceptance of full economic and monetary union. The source suggested that it might also be prepared to accept a two-speed Europe, with Britain reaching this goal later than the 11 other nations.

John Major will continue pressing his plan for a "hard" ecu, despite strong German objections, but is likely to accept that it should be a step towards full economic and monetary union. Under Mrs Thatcher the plan was seen as a way of sidestepping the need for single European currency and a European central bank; under Mr Major those aims may be explicitly accepted as

goals, with the hard ecu as an interim stage.

Mr Major's cabinet has not yet settled its view, but is considering ideas rejected in the past. The source said it was "perfectly conceivable" that there could be a treaty on monetary union involving only 11 of the 12, as Britain's delayed entry to the European exchange rate mechanism had created a precedent.

The clash at the Rome summit stemmed from a declaration by the 11 setting January 1 1994 as the date for starting the second stage of EMU, and 1997 as a time-limit for considering the third stage. A wish by most governments to avoid a further row at the next summit should improve Britain's chances of getting a hearing for the hard ecu. The government would accept the hard ecu being used in some countries and not others, which might mollify German objections. It would, however, need a European monetary institution to administer it, and few people would understand the difference between this and the European Central Bank which the government continues to oppose. It is likely to say, however, that the former could gradually evolve into the latter.

Mr Major and Mr Hurd will go to the summit with a strong wish to reach an agreement. Their tactics seem designed to allow a complete change of policy in small steps, arranged to reduce its public impact.

Unlike Mrs Thatcher, Mr Major and Mrs Hurd will not pay much attention to statements by other European leaders on political union. They believe that there is no serious wish for a federation.

The conference on political union will, however, deal with proposals for a common security policy. Britain is expected to argue in favour of it, if a distinction is made between security and defence. It considers the EC unsuitable to deal with defence because one neutral country (Ireland) is a member and three more (Austria, Sweden and Finland) are likely to join. Britain would not want any step which jeopardised the Nato alliance or the involvement of Washington. However, other countries are expected to say that security and defence are inseparable. Britain is not ready to accept the Italian government's proposal that the EC should take over the main

"Maybe by tomorrow morning there will have been no movement, and we will see the unravelling of the talks," John Crosbie, the Canadian foreign trade minister, said before the session began.

'Green' subsidies, page 12  
Leading article, page 13

Continued on page 24, col 5

### INSIDE New No 10 policy chief



Sarah Hogg, above, has been appointed to head John Major's Downing Street policy unit, the first woman to hold the post. By background she is representative of the old-style Tory grandees. Her father, Lord Boyd-Carpenter, was chief secretary to the Treasury under Macmillan. She is married to Douglas Hogg, the son of Lord Hailsham, the former Lord Chancellor. But she symbolises a tough-minded pragmatism which is emerging in the Major premiership. Page 2  
Diary, page 12

### Police woe

A "deplorable state of affairs" in Derbyshire police was blamed yesterday on the Labour-controlled county council by Kenneth Baker, the home secretary. Page 3

### Rushdie signs

Salman Rushdie, emerged from hiding yesterday to sign copies of his latest work, *Haram and the Sea of Stories*, at a bookshop in Hampstead. Page 3

### Submarine log

The government has agreed to reveal details of submarine movements in the Firth of Clyde to avoid further sinkings of fishing boats. Page 5

### Emily Garbo

For 30 years Eileen Derbyshire (the prim Emily Bishop) has been the most enduringly popular actress in *Coronation Street*. In the world of the soaps, she is a Garbo, and until today had never given a full-length interview. Page 19

### Optimistic Ozal

President Ozal of Turkey is optimistic about an end to the Gulf confrontation and the economic difficulties it causes his country. Pages 34, 35

### INDEX

Arts	21-22
Births, marriages, deaths	15
Books	20
Business	25-32
Court & social	14
Crosswords	15, 24
Law Report	56
Leading articles	13
Letters	13-36
Obituaries	14
Sport	35-40
TV & radio	23
Weather	24

## Iraq faces 'sudden massive strike'

From SUSAN ELLICOTT IN WASHINGTON

JAMES Baker, the American Secretary of State, said yesterday that his proposed trip to Baghdad was "the last, best chance for a peaceful solution" to the Gulf confrontation and threatened to strike Iraq hard if his mission failed. "Our aim is that if force must be used it will be used suddenly, massively and decisively," Mr Baker told Congress.

In his first formal comments on a diplomatic mission offered by President Bush last week, Mr Baker said his trip to Iraq would not open negotiations with President Saddam Hussein but was aimed at reinforcing the message of the United Nations resolutions to withdraw from Kuwait, release foreign hostages and restore the legitimate Kuwaiti government.

"Put simply, my mission to Baghdad will be an attempt to explain to Saddam the choice he faces: comply with the objectives of the Security Council, or risk disaster for Iraq," Mr Baker said indicating that Washington was prepared to go to war if Iraq did not retreat by January 15.

Seeking to counter the growing impression among lawmakers that the Bush administration was moving irreversibly towards war, Mr Baker presented the most cohesive case yet for Operation Desert Shield.

Mr Bush, speaking in Buenos Aires yesterday, said he was not optimistic that direct talks would persuade Iraq to leave Kuwait.

In Baghdad, Brian Duffy, an Ulsterman, was jailed for a year for attempting to flee Iraq without an exit visa.

Pledge to Kuwaitis, page 11  
Letters, page 13

## EC is given high noon deadline to save talks

From PETER GUILFORD AND MICHAEL BINYON IN BRUSSELS

NOON in Brussels today was yesterday set as the deadline for the European Community to improve its agricultural offer or face the failure and breakdown of the 107-nation world trade negotiations.

In response, the European Commission's negotiators last night told several delegations that the EC was ready to make a firmer commitment to cut farm export subsidies, the main sticking point in the deadlocked agricultural sector. Its refusal so far to discuss these subsidies separately has rallied the world against it.

The Community was hinting that it could limit the amount paid to farmers exporting produce while abandoning its proposals to "re-balance" subsidies in sensitive areas.

European farm and trade ministers had a joint session last evening to hear the commission's assessment of whether a compromise could be offered. As world pressure mounted on the community,

there were clear signs that Britain and several other EC countries, embarrassed by being cast as the villains of the conference, were pressing for a substantial modification of the commission's mandate. John Gummer, the agriculture secretary, said early yesterday: "It's clear that some winding down of support is called for."

But senior commission officials, privately sounding out key delegations, insisted the EC could shift only if other parallel concessions were made in other key sectors.

Arther Dunkel, secretary-general of the General Agreement on Tariffs and Trade, gave a gloomy assessment of the talks, saying that after three days there had been no significant new element in any of the 15 separate sectors. Some sectors were even moving backwards, he said.

Clayton Yeutter, the US agriculture secretary, said: "We are rapidly nearing the time when, even if the EC made a move, there is simply

not time to put it together into a final package."

Last night the ministers heading the Gatt delegations began their most intensive bargaining session so far. Acknowledging that the talks were "dead in the water", they met to assess whether any progress was now possible before the conference ends on Friday. They all insisted that an extension was not possible.

"Maybe by tomorrow morning there will have been no movement, and we will see the unravelling of the talks," John Crosbie, the Canadian foreign trade minister, said before the session began.

'Green' subsidies, page 12  
Leading article, page 13

## Six million battle for stake in power sell-off

By MARTIN WALLER

JOHN Wakeham, the energy secretary, slammed the doors yesterday on the biggest last-minute rush yet to cash in on the government's privatisation programme, with the stock market flotation of the 12 electricity distributors in England and Wales.

Some six million people are thought to have applied for the shares, and they face profits of up to 40p for every £1 they have invested, according to the latest indications from the City.

It is certain, however, that many potential investors will not receive all the shares they

want. As with other government sell-offs, applications will be scaled back if there is huge over-demand.

The size of that demand was evident in the City yesterday as thousands queued outside the two receiving centres which remained open until 10 am for last-minute applications. Mr Wakeham, who helped to shut the doors of one at 10 am sharp, hailed the £5.2 billion sell-off as "the best privatisation ever".

Full details, page 25  
Photograph, page 25  
Comment, page 27

## Church statistics move in mysterious ways

By RUTH GLEDHILL, RELIGIOUS AFFAIRS REPORTER



Dr Habgood: "Great many lively churches"

BISHOPS and clergy in the Church of England were last night cautiously rejoicing over the first official increase in church attendance figures since records began in 1968. Church statisticians were so surprised that they checked and double-checked their figures for errors, but were unable to find any.

The latest attendance figures for the 13,000 parishes in England show that 13,000 new adults are going to church every Sunday, an increase of 1.5 per cent. In ten dioceses, including Durham, Rochester, Peterborough and Lincoln, the increase was more than 2 per cent.

The number of candidates for confirmation has increased by 3 per cent and communicants at Christmas 1988 were the highest for three years. And even allowing for inflation, giving by

church members has increased by up to 5 per cent. The Right Rev William Westwood, bishop of Peterborough, said: "We have had a steady decline and bottomed out about five years ago."

"This is a modest turnaround. There is a concern about religion and religious things."

Many bishops, more used to fielding criticism for the seemingly unstoppable decline in church membership over the past 20 years, were bemused and unsure of how to react. The spokesman for one bishop said: "We really do not know what has caused it. We have been trying to work it out."

Douglas Fryer, head of statistics and computers at Church House, said: "We would not want to make a big thing of it and have a triumphalist view. I think there is very cautious optimism. I think that what is happening is that in the

late 1980s and the present day there is a more pronounced hunger for matters of the spirit."

Dr John Habgood, archbishop of York, said the figures confirmed his "subjective assessment from visiting parishes that there are a great many lively and forward-looking churches, in sharp contradiction to the gloomy prognostications often made about the Church of England by the media."

The statistics will be included in the 1991 edition of *The Church of England Year Book*, to be published in the new year. They show an increase on the church electoral roll of 1 per cent to 1,585,000 for 1988 and an increase in total Sunday attendance to 1,165,000.

The number of churchgoers aged under 16 declined, but church statisticians said this was expected because of the falling birth rate.

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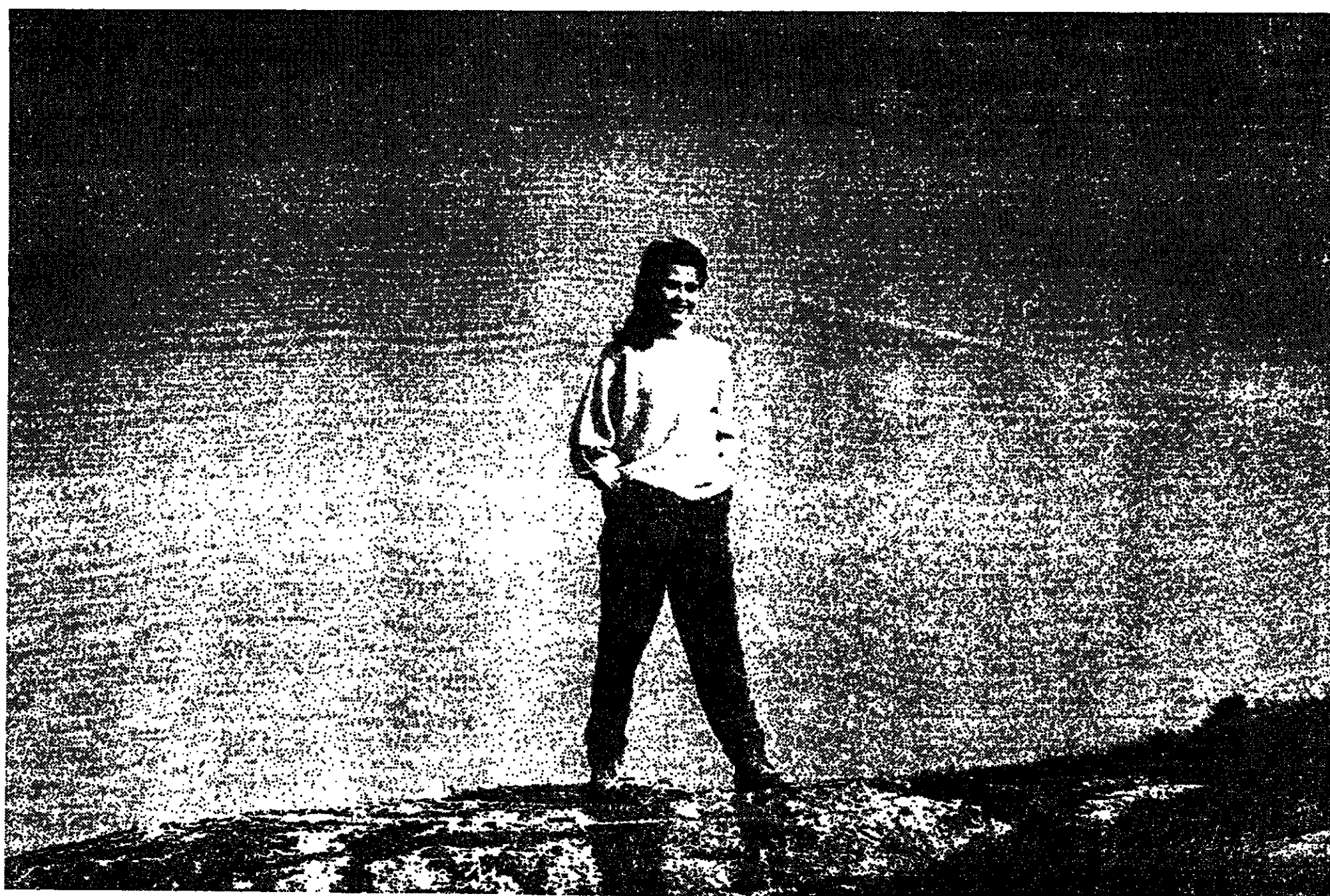
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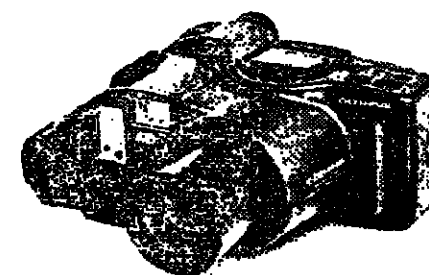
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# Council blamed for bringing police force to its knees

By CRAIG SETON

A HIGHLY critical report on the state of Derbyshire police blames county council bureaucracy for bringing the force to the "brink of inefficiency".

Geoffrey Dear, the Inspector of Constabulary for the Midlands, said that in all important financial terms Derbyshire's chief constable was fettered by controls imposed by the county council. He said the force suffered from deteriorating infrastructure and morale. Recorded crime rose by 21.9 per cent in the first six months of this year, causing "great concern" to Mr Dear, who inspected the force in July.

The findings were repudiated as unfair by the Labour-controlled police authority, which denied withholding vital funds. It said that after the county council was poll-tax capped it had had to cut £2 million from the £60 million police budget.

Mr John Newing, who became chief constable in June,

denied that deteriorating morale was a problem and said that many of Mr Dear's recommendations had been addressed. He added that the report did not show the quality of the people working for the force.

Mr Dear said in his report: "There are examples of initiatives raised by the chief constable being stifled prior to the democratic process of the police committee being reached. The innovative spirit so evident in other forces is translated, at best, into cheerful apathy in Derbyshire."

He said that the state of police buildings was "quite extraordinary", with broken windows, leaking roofs and unusable accommodation. Many computer facilities were obsolete, the force's casualty bureau was antiquated and its telephone lines inadequate for a major disaster.

There had been a virtual standstill in the development of the force and its resources

for eight years, the report said. Budgetary control had yet to be devolved to the chief constable, and county council bureaucracy was a major obstacle to the efficient management of the force.

Mr Dear, the former chief constable of the West Midlands, made more than 40 urgent recommendations. The first was that the chief constable must seek relief from processes required by the council governing initiatives, innovation and planning. The county council subjected all but urgent operational activities to stringent controls, Mr Dear said. There was not the flexibility for the chief constable to use to the best effect the finances available to him, most of which were provided by central government.

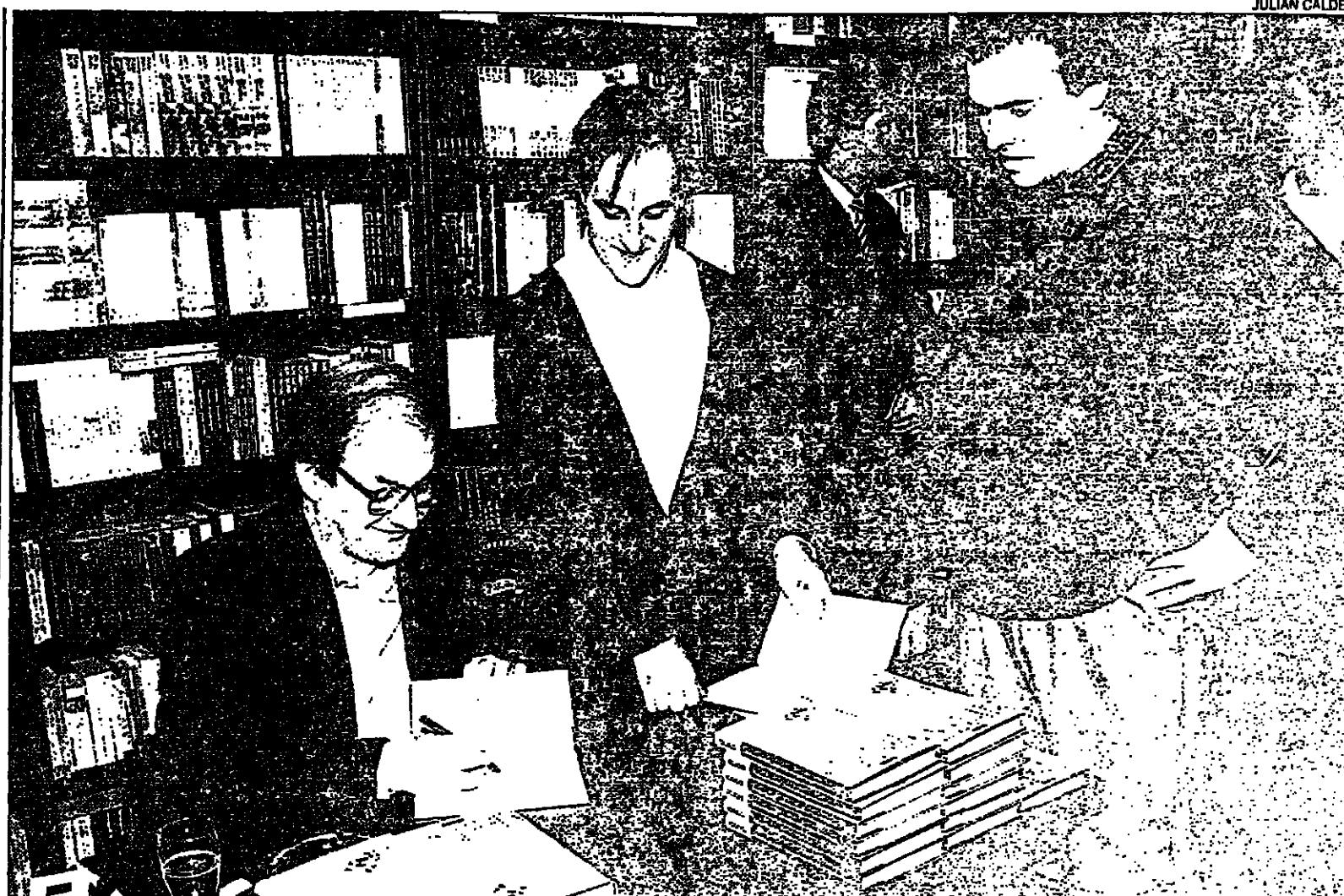
Bob Jones, chairman of the police authority, said yesterday that it was astonishing that Mr Dear had made no allowances for the fact that the county had been grant-capped over several years and this year had been poll-tax capped. He said: "Central government has consistently refused to provide us with the funds to provide the services we want to provide."

He would be seeking a meeting with Kenneth Baker and Michael Heseltine, the environment secretary, to appeal for more funds.

Earlier this year, the home office, in an unprecedented move, vetoed the Derbyshire police authority's appointment of John Wesley, then deputy, as chief constable.

Derbyshire county council was ordered to cut more than £40 million from its £560 million budget after losing a court battle against the community charge cap introduced by Christopher Patten as environment secretary (Robin Young writes).

David Bookbinder, the council leader, said when announcing the spending cuts last August that £15 million would have to come from cutting back on police overtime, reducing spending on police and fire vehicles, trimming grants to charities and theatres, and shortening library opening hours.



Out and about: Salman Rushdie cheerfully signing books during his 20-minute visit to Waterstone's in Hampstead yesterday

## Rushdie leaves hiding for brief book-signing

By BILL FROST

SALMAN Rushdie emerged briefly from hiding yesterday to sign copies of his latest book, *Haroun and the Sea of Stories*, at a bookshop in Hampstead, north London. Accompanied by executives from his publishers and bodyguards, he spent 20 minutes chatting with customers and drinking champagne.

The manager of Waterstone's bookshop in Hampstead, who declined to be named, said 100 copies

were sold. "Mr Rushdie seemed calm and relaxed. He told us how nice it was to be in a bookshop again."

Staff were given only minutes' notice of the author's visit. One assistant said: "We only just had time to set up a table and stack up copies of his latest book."

Michael Israel, a freelance photographer from Highgate, said he was quite amazed to see the author calmly signing his books while still under sentence of death passed by

the late Ayatollah Khomeini.

The signing session was arranged by Penguin in conjunction with Granta, publishers of Mr Rushdie's latest book, *Clare Harrington* of Penguin said the arrangements were made "a little while ago" after discussions with Mr Rushdie.

"It was something he really wanted to do and we were very happy to co-operate." She described the author as being in very good form and extremely relaxed.

The whole occasion was most

enjoyable." Mr Harrington would not comment on whether Mr Rushdie would make any more forays into the outside world from his secret hiding place.

One theory by a publishing insider for Mr Rushdie's decision to venture out was that he was testing the water in response to less hostile signals from Iran, perhaps indicating that the death sentence may soon be lifted.

The manager of Waterstone's said: "The au-

thor's latest has been selling well anyway. But there is no substitute for the personal appearance and 100 copies in 20 minutes is pretty good going by anyone's standards."

Last week the Islamic Society for Religious Tolerance, a London-based group, called for the lifting of the Fatwa against the author. It said it had been in touch with Mr Rushdie and now accepted that his book *The Satanic Verses* had not been intended to offend Muslims.

## Population shift favours Scotland

By RAY CLANCY

PEOPLE are moving to Scotland from other parts of Britain for the first time in several years, according to the latest population figures published yesterday by the Office of Population Censuses and Surveys.

In 1989 there were just under two million moves within the United Kingdom, with the most notable change being migration between Scotland and the rest of the country. Overall, 6,000 moved to Scotland, compared with 14,000 leaving in each of the two previous years.

The government figures do not indicate why people are moving to Scotland or where exactly they are settling.

The largest growth due to migration was in southwest England, where the population increased by 22,000.

Yorkshire and Humberside also showed small increases. The biggest decrease was in the South-East, where the population dropped by 42,000.

People also moved away from the West Midlands and the North-West. The overall population of England and Wales increased to 50.6 million in mid-1989 mainly because births outnumbered deaths.

There were 577,000 deaths in 1989, a rise of 1 per cent, largely due to the flu epidemic in November and December. Multiple births doubled from 12 per 100,000 deliveries in 1982 to 29 in 1989, a special report in the survey says.

Population Trends 62 (Winter 1990), Office of Population Censuses and Surveys (Stationery Office, £6.75)

## New statute likely to outlaw race bias in justice system

By FRANCES GIBB, LEGAL AFFAIRS CORRESPONDENT

THE government is expected to agree that racial discrimination within the criminal justice system should be outlawed by statute when the criminal justice bill is debated in the Commons today.

John Patten, Home Office minister, is likely to give his backing to the principle of a new clause which would make clear that decisions in the

criminal justice system must be taken without discrimination on grounds of race. The clause, tabled by Labour MPs in the Commons committee now considering the bill, has wide backing from groups such as the Commission for Racial Equality, the Bar, the Penal Affairs Consortium, Society of Black Lawyers and National Association for the Care and Resettlement of Offenders (Nacro).

If, as expected, the principle is accepted by the government, it would be the first statutory prohibition on racial discrimination to be applied

to the criminal justice system and would apply to all decisions, whether by judges or magistrates, court officials, probation officers, police or prison officers.

It is likely that the clause as tabled will be withdrawn in the face of a government commitment to considering how best to enshrine the principle in the bill.

Some 16 per cent of prisoners in England and Wales are from the ethnic minorities, more than three times the proportion in the general population according to a briefing paper by Nacro.

Ms Vivien Stern, director, said: "These figures do not show that black people are more prone to crime than white people."

During today's Commons debate, the government is likely to face pressure to delete part of clause two of the bill which empowers the courts to impose longer sentences on violent and sexual offenders than their offence deserves, if the court considers that necessary to protect the public from "serious harm".

In a briefing paper to MPs, the Penal Affairs Consortium, an umbrella body for a wide range of criminal justice groups, says that that is unjust.



John Patten: likely to back new clause for bill

## Police investigate Tory's comment

By PETER VICTOR

POLICE are to interview Bill Galbraith, a local Conservative association member, about his use of the phrase "bloody nigger" in describing John Taylor, Cheltenham's prospective Conservative candidate.

Det Chief Inspector Bill Gaskins, of Gloucestershire police, sought advice yesterday from the Crown Prosecution Service on the procedure for investigating alleged incitements to racial hatred. "I have been asked to look at this matter and I am currently waiting for instructions from a certain direction. We are taking it very seriously," Mr Gaskins said.

The Freedom Association, a right-wing pressure group, has written to the Director of Public Prosecutions, urging action against Mr Galbraith. A spokesman for the DPP said the complaint would be

considered over the next few days. The Gloucester Council for Racial Equality said it was seeking legal advice and guidance from its head office.

Mr Galbraith's wife, Janet, said yesterday that the couple had been bombarded with letters and phone calls since her husband's comments on Monday. She said that some had been threatening, but that "the amount of supportive calls and letters far outweigh the nasty ones".

Mr Galbraith was adamant that he would not withdraw his comments, in spite of a possible investigation and the fact that he had been barred from two favourite pubs.

Monica Drinkwater, chairman of Cheltenham Conservative association, said that there would be a motion calling for his expulsion at a meeting of the local party executive next week.

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### Saturday Review

#### Private life, public love

Diane Keaton dislikes physical exposure and leads a singular private life, but she enjoys filming love scenes

#### Can Gorbachev come through?

Mikhail Gorbachev faces a splintering USSR and angry, hungry people. What are his chances of survival?

#### Gowns to glitter

Society women are slipping out of ballgowns into something with a little more glitter

### TIMES

#### Get tougher, teacher

Dull lessons, racist teachers, lax discipline: young readers came straight to the point when we asked for their views on the state of the school system

Order Saturday's Times today







# UK's longest-serving remand prisoner begins his sixth year

BRITAIN'S longest-serving remand prisoner begins his sixth year behind bars today. He will wake, as on every other morning, to the sound of cell doors noisily opening and fellow inmates complaining as they slop out. The smell will be as distinctive and unpleasant as the day he was first taken into custody in 1985, a pungent mixture of disinfectant, cabbage and tobacco smoke.

He will spend at least 23 hours in his cell at Brixton poring over legal textbooks and case notes and contemplating again the extraordinary tangle of events that has brought about his period of incarceration without trial.

Lorrain Osman, aged 59, a Malaysian banker with British citizenship, is fighting extradition to Hong Kong on charges linked to the collapse of a company that left debts of nearly £700 million. Initially, he was treated as a routine remand prisoner but in July he was reclassified as a category A prisoner, "one whose escape would be highly dangerous to the public, or to the police, or the security of the state". The

**Lorrain Osman has been in Brixton prison, without a trial, since 1985. He told Bill Frost of his fight to resist extradition to Hong Kong**

Home Office is not obliged to justify the decision and refuses to do so.

Mr Osman said: "I slop out at 8.30 and collect my breakfast. I have grown used to passing other prisoners carrying their pails while I am carrying food. At first I was disgusted, but you get used to anything."

After breakfast, he settles down with his legal papers. He does not usually bother taking the permitted hour of exercise. "I am too busy fighting this case, as I have been every day for the last five years." Prison food does not agree

with Mr Osman, who once enjoyed a millionaire lifestyle. "Every day there are carrots. I miss hot, spicy Malay food. There is a prison warden here who tells me about Malay meals he has eaten in Soho. It is torture to hear him."

He receives frequent visits from his lawyers and his wife Monica. He does not want his daughter to see him in the jail. "It is the nights that terrify me here. I wake up in the small hours wondering why I am behind bars. I miss my wife and daughter so much it is like a physical pain."

Mr Osman is baffled about his category A status. "Do I look like a risk to anyone, let alone the security of the state?" The Free Osman campaigners argue that the Hong Kong government's alleged case against him is now in tatters. They point to the eight-year jail sentence for corruption imposed on Warwick Reid, the colony's deputy director of public prosecutions, who handled the Osman case from the start. This unprecedented chapter in British legal history began on December 6, 1985, when police arrived at the



Osman: "I will never return to face a show trial. Never"

Osman home in St John's Wood, northwest London, with an extradition warrant. Mr Osman, his wife and daughter had fled to Britain from Malaysia, claiming that threats had been made against them.

The warrant sought Mr Osman's extradition to Hong Kong for alleged offences between 1979 and 1983 after the collapse of Carrian Investments, a shipping

and property group. Mr Osman, a Cambridge-educated barrister, was chairman of Carrian's biggest creditor, a Hong Kong based subsidiary of BMB, Malaysia's largest bank. It is alleged that he allowed loans to be made to the Carrian group without adequate security. "I am innocent," he said. "The prosecution case does not stand up, but they want a scapegoat."

Commitment proceedings for his extradition began six months after Mr Osman's arrest and lasted almost a year. An extradition warrant was granted but defence lawyers appealed, claiming that vital documents from Hong Kong were missing and that there were flaws in procedure.

Last year, the Hong Kong Court of Appeal ruled that the original warrant of arrest, issued against him in 1985 on fraud charges, was not valid. The entire time-consuming and complex procedure would have to begin again. Four writs of habeas corpus have been filed so far. Three have failed but Mr Osman and his lawyers

have always been able to find new grounds, including missing documents and procedural flaws, to justify the issuing of further writs.

The High Court has reserved its judgment on the fourth. If the judgment goes against Mr Osman, he will once more search for new grounds to apply for habeas corpus. "I could carry on like this forever," he said. "I am prepared to remain a remand prisoner for 50 years if the alternative is going to Hong Kong to face a show trial."

Mrs Osman said: "If Lorrain concedes to extradition it is tantamount to saying there is a case to answer. There is not. He is a stubborn man and he will fight to the end."

The Osman case has attracted considerable interest at Westminster, with cross-party support for an early-day motion calling for an explanation. Chris Smith, a Labour backbencher, said: "It has never been explained why Lorrain Osman has not been granted bail, or why he was reclassified as category A. The idea of an elderly businessman planning a jail break

and hoofing it from Brixton is patently absurd."

Bruce Kent, vice-president of CND, said: "Questions of guilt and innocence pale to insignificance when compared with the gross infringement of natural justice which has taken place. This man has already done five years inside. He cannot return to Hong Kong because two potential witnesses in the case have already been killed. I want the Home Secretary to release him now."

In a further twist to the case, police with a warrant to search for firearms raided the Osman family home in London last week, prompting a call from Barry Sheerman, Labour's home affairs spokesman, for an urgent enquiry. No guns were found.

Mr Osman says he is "the most determined man you are ever likely to meet". Unbowed by sharing the maximum security wing with alleged IRA terrorists and others facing trial for very serious offences, he said: "I have infinite patience and will fight this to the end. I will never return to face a show trial. Never."

## Navy to warn fishermen of submarine movements

By KERRY GILL

THE government agreed yesterday to provide fishermen with details of submarine movements in the Firth of Clyde to avoid a repetition of last month's tragedy when HMS Trenchant sank the Antares fishing boat killing four Scottish crewmen.

At a meeting between fishermen and Archie Hamilton, the armed forces minister, it was agreed that the Royal Navy should disclose when and where submarine operations could be expected. Fishermen's leaders will also attend trials, due to be held within the next ten days, of bleepers fitted to fishing nets, which will increase warnings to submarines.

The concessions offered by Mr Hamilton, who yesterday said that it was highly likely that the Trenchant, a hunter-killer submarine, had snagged the Antares's nets, came as a surprise to the fishermen and will almost certainly end the possibility of a blockade of the Faslane submarine base on the Gare Loch.

Patrick Stewart, secretary of the Clyde Fishermen's Association, said: "This is an extraordinary change in policy from the MoD and it is tragic that it should come after four of our fishermen have died. We have constant consultations as far as surface operations are concerned and this will be extended immediately to submarine operations."

He said that the association would be told in advance of areas occupied by submarines. If no notification about an area was given, the fishermen could assume it to be clear. Further talks on the code of conduct would be held with the navy at Faslane tomorrow. He added: "Of course, much depends on whether we can agree the details but I perceive

there is considerable goodwill on both sides."

Mr Hamilton said the fishermen had been reasonable in their demands and it had been right for the government to "meet them halfway". It had not been a U-turn and the code of conduct was being introduced partly because of the end of the Cold War. He added: "In the light of the terrible tragedy of the loss of this boat we really did feel that this could not go on in the same way." The government has ordered an enquiry into the accident.

Last night Christine Russell, widow of the Antares skipper James Russell, said of the government's code of conduct: "Although their plans are a step in the right direction, it's all too little and too late to be of any good to me and my family." Mrs Russell, who has three children, added: "The past two weeks have been hellish. At the moment we don't know even if the bodies are in the Antares. The wee ones ask when daddy is coming home because there is nowhere to take them to show where he has gone."

Brian Wilson, Labour's spokesman on the Scottish fishing industry, said: "It has taken the Antares tragedy and all the subsequent arguments to produce a little bit of common sense and humility on the part of the MoD. That leaves a bitter taste in the mouth."

Later today female relatives of fishermen will lay flowers at the gates of Faslane in memory of the Antares's crew. Three of the men came from Carradale, Kintyre, in Strathclyde, and the fourth was from Campbeltown, several miles down the coast. It is hoped that the vessel will be raised early next week.

## Sex charge trial told of arrest

The mother of a man accused of sexually assaulting and trying to murder a seven-year-old girl burst into tears yesterday as she told a court of the night he was arrested.

Sylvia Bishop said that when police arrived at Russell Bishop's home in Lewes Road, Brighton, East Sussex, Det Inspector Malcolm Bacon had told her the "little girl has picked him out and we have got genetic fingerprinting".

Lewes crown court has been told the girl picked out Bishop at an identity parade after his arrest. DNA evidence was not available until later. Mr Bishop denies charges of kidnapping, attempted murder, attempting to choke the girl and indecent assault. The trial continues today.

## Smarties alert

A nation-wide warning has been issued by Nottinghamshire police after three potentially harmful blue heart tablets were discovered in a tube of Smarties bought in a Nottingham shop.

## Police dismissal

Alan Lees, a police surgeon with South Wales Constabulary, has been dismissed from the £40,000-a-year job after an enquiry into allegations that he used the force's facilities to treat private patients.

## Unsafe helmets

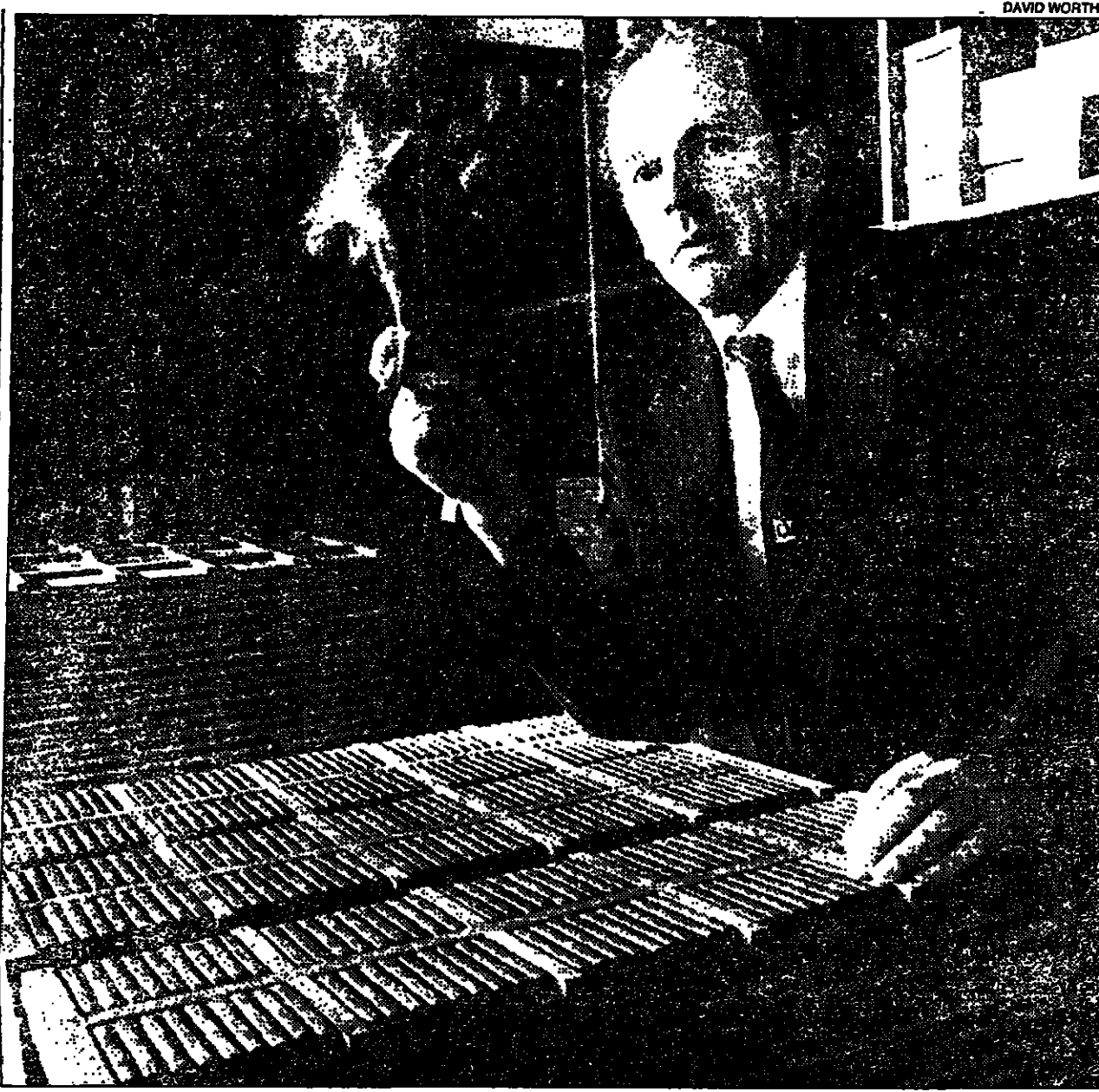
A survey by Nottingham trading standards officers of cycle safety helmets has revealed that two out of three fail safety regulations and that some are dangerous. They cost between £20 and £40.

## New reservoir

Thames Water plans to build a £200 million reservoir near Abingdon in Oxfordshire. The mile-square reservoir site will be chosen after a two-year investigation.

## £20,000 raid

Burglars stole a safe containing jewellery and valuables worth more than £20,000 from the isolated country home of Sir Robin Dunne, a former High Court judge, at Allerford, near Minehead, Somerset, yesterday.



Anthony Alton, chairman of Britain's last family firm of cigar manufacturers, in the sorting room of E. Alton of Nottingham, which is closing after 128 years.

Mr Alton's great-grandfather founded the firm in 1862 (John Young writes). It moved to its site half a mile from the city centre in 1897, and in the 1920s employed some 120 people. Mr Alton attributed the demise to pressure from the anti-smoking lobby, the ending of resale price maintenance and the decline of the specialist retail tobaccoist. "When I started on the road in the 1960s I had 40 or 50 customers to call on," he said. "Now there are only about 12 left."

## The English Chamber Orchestra plays Mozart, with champagne accompaniment.

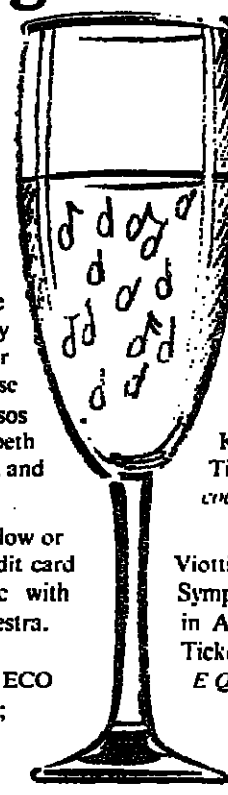
As part of our Mozart Bicentenary Festival, we are proud to announce that the English Chamber Orchestra will be taking part in a series of concerts at the Queen Elizabeth Hall and the Banqueting Hall. And in the latter venue, appropriately enough, champagne and canapés will be served.

Currently engaged in recording the complete Mozart symphonies under Jeffrey Tate, the ECO has long been renowned for its performances of Mozart. During these concerts, it will be joined by such virtuosos as Marcello Viotti, Ingrid Haebler, Elizabeth Leonskaja, Elena Duran, Emilia Moskvitina and Janice Watson.

For tickets, please post the coupon below or ring the hot line on (071) 793 0900 for credit card bookings. And celebrate Mozart's music with champagne and the English Chamber Orchestra.

**December 7, Banqueting Hall, 7pm. ECO**  
Wind Ensemble; Elizabeth Leonskaja, piano; Divertimento for wind in B flat, K196; Quintet in E flat for piano and wind, K452; Serenade in B flat for 13 wind instruments, K361. Tickets are £49, including champagne and canapés. Booking code: E BAH 7DEC K.

**December 8, Banqueting Hall, 7pm.**  
Maciej Rakowski, director; Elena Duran, flute; Emilia Moskvitina, harp; Janice



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Watson, soprano: Serenade in D (Serenata Notturna), K239; "Ach ich fühl's" (aria from The Marriage of Figaro); Concerto for flute and harp in C, K299; Concerto aria "Bella mia fiamma... resta, oh caro" K528; Cassation in G, K63. Tickets are £49, including champagne and canapés. Booking code: E BAH 8DEC K.

**December 10, QEII, 7.45pm.**  
Conductor to be announced. Violinist: Frank Peter Zimmermann. Symphony No.25 in G minor, K183; Violin Concerto in G, K216; Adagio in E, K261; Rondo in C, K373; Symphony No.41 in C, Jupiter, K551. Tickets are £15, £13, £11, £7 and £5. Booking code: E QEII 10DEC K.

**December 11, QEII, 7.45pm.** Marcello Viotti, conductor; Ingrid Haebler, piano; Symphony No.35, Haffner, K385; Piano Concerto in A, K414; Symphony No.39 in E flat, K543. Tickets are £13, £11, £9, £7.50, £5. Booking code: E QEII 11DEC K.

To book by post, fill in the coupon below. Cheques should be made out to Keith Prowse Co Ltd. For the Queen Elizabeth Hall concerts, please nominate a second choice ticket price. Send the coupon to: The Sunday Times/The Times Mozart Bicentenary Festival, PO Box 2, London W6 0LQ.

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## Twist in the tale for Jimmy's story

FOR the past four years Jimmy's, the everyday story of life in a big city hospital, has been broadcast in more than 100 half-hour programmes on the independent television network, making St James's University Hospital in Leeds among the best known in Britain.

Ian Donnachie, the hospital's general manager, has just completed negotiations for a further 26 programmes. The next two series will show the effects of the hospital becoming a self-governing trust on April 1. Mr Donnachie said: "In hindsight, the programmes might almost have been made with the coming development in mind. They have helped to raise the profile of the hospital."

"It has been very beneficial and it will clearly be an asset to aid our continuing business development as a trust. It has also helped in the

**Europe's largest teaching hospital, St James's in Leeds, is to become an NHS trust. Peter Davenport spoke to the man overseeing the change**

recruitment of staff." St James's is Europe's largest teaching hospital and the busiest general hospital in Britain, each year dealing with 50,000 inpatients, 250,000 outpatients, 100,000 accident and emergency cases and delivering 4,500 babies in the maternity unit.

Its pathology laboratories annually handle a million requests for testing of samples and the radiology unit carries out 750,000 procedures a year. The hospital has an annual budget of about £60 million and a workforce of 4,500, including 1,800 nurses, more than 180 medical and dental staff

and about 2,000 people in support services.

It caters for the needs of the 350,000 residents of the eastern district of Leeds, and provides specialist services for the county as a whole and far beyond, particularly in childhood cancer, neurology, plastic surgery, renal and liver transplantation and cystic fibrosis. It also provides services for 90 different health authorities.

Most of the 1,390 beds are in buildings developed since St James's became a principal teaching hospital in 1970. Further developments in childhood cancer services and a new £15 million unit,

including theatres, intensive care units and a six-bed liver transplantation ward, are planned for 1993. The hospital also wants to pursue a programme of minimally invasive surgery.

The decision to become a self-governing trust was initially opposed by many staff, who were concerned about the effect on their jobs, training and research programmes, and about patients' fears regarding the impact of the move. Yesterday, Mr Donnachie said: "I believe we now have a large measure of support among our staff."

"At the beginning, there was considerable hostility and almost hysteria in some quarters about the government's reforms and some of the by-products of that were sad. The parents of one child from outside our area but being treated here for cancer, thought it meant we were going private and leaving the NHS."

Some of the criticism of teaching hospitals centred on their financial troubles. In the past, St James's has missed out on about £4 million because it could not be paid for treatment for patients from outside its immediate area of responsibility.

The trust for St James's will come into being on December 21, after the appointment of a chairman and five executive and five non-executive directors. Mr Donnachie will be chief executive.

## Trusts will stay in the NHS

ALTHOUGH hospitals that become self-governing trusts will opt out of local health authority control, they will stay inside the national health service (Jill Sherman writes). They will, however, be able to set their own pay rates for all health service staff, including doctors, and borrow capital from the private sector up to a specified limit set by the Treasury.

The ceiling for that has yet to be decided, although it is clear that NHS trusts

will not be given the capital they hoped for in their applications to the health secretary.

The trusts will manage their own assets and finance themselves by selling services to district health authorities, GP budget holders, private hospitals and employers. They will trade in the new internal market from April, competing with each other and with other directly managed hospitals. Contracts, specifying vol-

umes of work and quality standards, will be drawn up in advance.

If self-governing hospitals fail to attract enough work, theoretically they could go out of business. The government has, however, indicated that it would intervene and bring such hospitals back into health authority control.

Trust boards will have four executive members and a chairman appointed by the secretary of state.



# Impoverishment is the price of failure

By ROSEMARY RIGHTER

TRADE is livelihoods. Failure in Brussels will mean two things. The first is a lost opportunity to free trade in important sectors — agriculture, services and textiles — which have never been brought under international rules. That could cost the world \$4,000 billion (£2,000 billion) this decade. The second is a weakening of the General Agreement on Tariffs and Trade (GATT), the arbiter of the non-discriminatory trading system which has served the world so well since 1948. The result will be lost growth and increasingly acrimonious trade wars.

The main victims will be the East European and Third World countries which have embarked on difficult market reforms. To pay for restructuring and grow their way out of debt, they desperately need better access to foreign markets, and are critically dependent on the survival, and strengthening, of GATT. For them, the Uruguay round offered a new deal for market-led recovery, which could double the value of world trade in the 1990s.

Collapse of the talks could

impose such severe extra strains as to jeopardise the consolidation of democracy in these countries. But no country will be untouched, certainly not Britain, half of whose exports go to countries outside the European Community.

The danger is that countries and regions will turn in on themselves, relying on special trade deals with neighbours or the markets which matter most to them. Increased protectionism, by reducing the pace of economic growth worldwide, means impoverishment for millions. Just as seven years of steady growth in trade show signs of faltering, the world will lose the spur it needs to avoid recession.

Since the 1940s, GATT has succeeded in getting governments to slash average tariffs on manufactured goods from 40 per cent in the 1940s to around 5 per cent. Governments are unlikely to backtrack, so that gain will not necessarily be lost. But they will cheat, by multiplying "non-tariff" barriers against imports, such as "voluntary export restraints" and bogus anti-dumping penalties.

Giant rival trading blocs are



Paddy protester: a Japanese rice farmer in Brussels yesterday demonstrating his displeasure with GATT

already in the making — the single market of the European Community (closely linked to the six countries of the European Free Trade Association); a North American free trade zone which could expand to include most of Latin America; and Japan, the magnet for Southeast Asia.

Countries within these blocs would accord each other preferential treatment. The danger is they could become "fortress" free trade areas. The blocs could also conduct trade wars against each other. The squabbles between the EC and the US over things such as corn gluten and steel, and between

Japan and almost everybody over cars and electronic goods, would spread to new sectors. In agriculture, where protectionism costs taxpayers in the industrialised world \$250 billion a year, the gloves will be off as governments top each others' subsidies. This gloomy scenario is justified

by two factors: the trend away from free trade, evident at the time the Uruguay round was launched in 1986 in Punta del Este; and the steps already taken by such powerful governments as the US to insure against failure.

In 1986, governments agreed that if GATT's non-discriminatory trading regime was to survive, GATT must be expanded and given sharper teeth. GATT has been one of the postwar world's more improbable success stories. It is an agreement, not an organisation, a stop-gap accord sewn up in 1948 to get trade moving while waiting for an International Trade Organisation to be set up. The ITO was stillborn so GATT soldiered on and created rules which helped world trade to grow five-fold between 1950 and 1975.

But in the 1980s, partly in response to Japan's trade surpluses, public support for free trade was evaporating and governments were inventing "invisible" trade barriers to bypass GATT rules. Too much economic activity, moreover — textiles, agriculture and services (a sector which now accounts for a fifth of world trade) in particular — was outside GATT

altogether. The aim of the talks was to create rules for these sectors, provide protection for patents and foreign investment which would encourage trade, and give GATT stronger powers to settle trade disputes. The spur was an American threat to abandon GATT and set its own rules.

If the Uruguay round collapses, the United States has a well-honed weapon ready, section 301 of the 1988 Trade Act, described by Carla Hills, the American trade representative, as a "crowbar". Section 301 was introduced to fend off an amendment to the act which would have triggered automatic retaliation against any country running a consistent trade surplus with the US. Instead, Congress has powers to require the US administration to identify protectionist countries and open negotiations with them before imposing retaliatory sanctions.

If the EC, to protect the common agricultural policy, allows the Uruguay round to fail, Section 301 could set precedents for more such laws, destroying the multilateral trading system on which Europe's prosperity, as the world's largest trading bloc, depends.

## Subsidies wrangle

### Deft manoeuvring by America puts EC in the dock

By MICHAEL HORNSBY AND PETER GUILFORD

AVERTING a collapse of the GATT negotiations and a return to the beggar-my-neighbour trading policies of the 1930s may now depend on a trade-off between the European Community's desire for a free market in services and the United States' insistence on free trade in agricultural products.

Skilful manoeuvring by the Americans has left the EC standing alone in the dock, accused of holding the rest of the world to ransom by its refusal to dismantle the protection afforded to its nine million farmers.

Washington is backed by a formidable array of allies, notably the Cairns group of 14 food-exporting nations, which include Australia, New Zealand, Canada, Argentina and Brazil, enabling one US negotiator to claim: "It is not the EC versus the US but the

EC versus the rest of the world." With the spotlight trained on the community's common agricultural policy, America's insistence on the right to maintain controls on services, and in particular to grant some countries greater access to its markets than others, has received less attention.

The EC, which earns almost three times as much from banking, transport and other services as it does from agricultural exports, is offering to open its markets to foreign services in many sectors, and partially in others, on condition that America applies the most-favoured-nation clause, by which a trade benefit to one country is extended to all.

Concessions by the EC on agriculture remain the key to a GATT settlement because most of the other difficulties would probably melt away if these were forthcoming. The political clout of the farming lobby in France and Germany, however, restricts the EC's room for manoeuvre.

The EC's Achilles' heel is its heavy dependence on export subsidies and import controls to prop up farmers' prices. The effect is to limit exporters' access to the EC market and also to depress world food prices.

America's powerful grain lobby sees a chance to regain lucrative world markets lost to the EC in the early and mid-1980s. That aim coincides with the interest of other food-exporting countries in freer farm trade. One estimate is that abolition of all farm subsidies would increase the foreign exchange earnings of net farm exporting countries in the developing world by \$30 billion (£25 billion) and world farm trade as a whole by \$100 billion.

Washington and its allies want a 75 per cent cut in internal subsidies and a 90 per cent cut in export subsidies. The EC is offering a 30 per cent cut over the period 1986-96 without any specific promise to reduce export subsidies. The EC argues that, as internal prices are lowered, food surpluses will fall and export subsidies will decline over time.

Although the EC and the United States are at each other's throats over agriculture, they are working together behind the scenes to toughen up GATT's anti-dumping rules. They want to use these against the cut-price technology goods from the Far East.

In return, developing nations want the rich to stop stifling their textiles producers by imposing quotas. In one serious concession by the West, the textile arrangement is expected to disappear over the next decade.

Paying farmers, page 12

## Protectionism

### Vested interests draw battle lines

By DEEPAK LAL

IF THE current round of GATT talks collapse, the world trading community faces a return to protectionism and with it recession, which have dogged economic growth several times during trade wars in the last hundred years.

It is the German and French desire to appease the vested interests of their farmers which must be held responsible for the likely breakdown. What are the other likely consequences of collapse of the Uruguay Round? In answering this question many observers have harked back to the global trade wars which followed the American adoption of the Smoot-Hawley tariff in 1930.

Since the mid-19th century, three key epochs in the international economy can be discerned. The first was the liberal economic order, inaugurated with Britain's repeal of the Corn Laws, which lasted until the late 1870s. The second marked gradual erosion between 1870 and 1913, and the collapse of this liberal order. The third, since the last world war, has seen the evolution of a new liberal order, which despite buffeting has survived and provided unprecedented global prosperity.

During the first period of liberalism, free trade spread around the world as a result of British example and leadership. Even then, only The Netherlands and the UK were complete free traders. Nevertheless this period of increasing free trade saw a spectacular increase in world trade

and output. The value of international trade doubled between 1830 and 1850 and quadrupled over the next 30 years.

But by the 1870s, the erosion of the liberal system had begun. The retreat of the United States from free trade began with the institution of tariffs to pay for their civil war. But it was Bismarck's forging of the infamous alliance of interest between "rye and steel", sealed with imposition of tariff to please the regional German special interest, that began the slide towards European protection. Once concessions had been made to some interest groups, the government found it difficult to withhold protection to others. From the 1890s onwards, competitive tariff escalation became common, spilling over into tariff wars, as commercial treaties between trading blocs were renegotiated. Only Britain, The Netherlands and Denmark maintained free trade during this period.

The competition for colonies, and the clash of arms that resurgent economic nationalism engendered, led to the first world war and the lost decades of this century. The international economy collapsed under the pressure of two world wars and the Great Depression. The latter was greatly exacerbated by the introduction of the Smoot-Hawley Tariff in 1930. Although in 1929 tariffs were higher than in 1913 they were still non-discriminatory and were the only barriers to trade. The adoption of the Smoot-Hawley Tariff led to another cycle of tariff wars, with disastrous effects. There was a contracting spiral of world trade which shrank by early 1933 to a third of its 1929 value.

It was to avoid a similar disaster that GATT was set up, and it has seen a remarkable liberalisation of world trade. This had engendered an unprecedented global boom, similar to that during the first period of liberal reform in the 19th century. The collapse of the Uruguay Round because of the desire of the German and French governments to appease their vested rural interests shows an uncanny resemblance to the first step in the erosion of the 19th-century liberal economic order. The erosion of the post-war liberal order would be difficult to avoid.

Deepak Lal is professor of political economy at University College, London.

## Jobs threat

### German farmers fight to survive

FROM IAN MURRAY IN BONN

TWO-thirds of Germany's farmers would be forced off the land if American proposals for cutting agricultural subsidies at this week's GATT talks were implemented, Baron Constantin Heereman, president of the German Farmers' Association, said here yesterday.

Even the European Community's first offer of a 30 per cent cut over the next decade would slash the agricultural industry's income by up to DM 10 billion (£3.5 billion) a year, he said, and more and more peasant farmers would find it impossible to survive. "This year, he said, had seen the price of beef, pork, milk and cereals pushed down so far that farmers were already facing a 30 per cent drop in profits and the average income for a family would be only around DM 25,000.

The association represents the 650,000 small farmers in Germany and its membership is currently dwindling by between 15,000 and 20,000 a year. "The situation in our farm businesses just cannot bear any further income cut backs," said Baron Heereman, who has just been re-elected as a Christian Democratic member of the Bundestag.

He said he had met Helmut Kohl, the chancellor, just before last weekend's elections and had been promised that the government would not stop supporting farmers once the voting was over. The chancellor had told him that he recognised the peasant farmers as "an indispensable group" and promised that he would not abandon them. "We trust his word," Baron Heereman said.

The power of the German farming lobby is out of all proportion to the fact that it accounts for just 1.7 per cent of the western part of the country's wealth and employs only 3.5 per cent of the working population. Herr Kohl recognised this repeatedly in speeches during his election campaign, insisting that the country

needed its yeoman peasant farmers not only to produce 80 per cent of the nation's food but to preserve the environment.

The association continues to emphasise the danger to the environment of allowing too many small farms to be taken over and turned into large agricultural units. Destroying small farms, it argues, will depopulate the countryside, wreck village life and lead to the destruction of nature through large scale agricultural techniques.

This is already happening. Whatever the eventual outcome of the GATT negotiations, falling incomes and EC quotas are inexorably changing the structure of German agriculture. At present 95 per cent of farms are of less than 125 acres. In the past two years, considered good ones, the income of the average 45 acre farm was only around DM 40,000 a year of which one third was made up of subsidy payments. This is already some 20 per cent below the current industrial average wage and means that almost half the farmers have had to take a second job to supplement their income. This year's bad returns are accelerating the trend.

Not only are thousands of owners every year giving up and selling their land to large combines, but the number of young people training to work on the land has been halved since 1986, with only around 8,000 registered this year. The association is trying to persuade the government to take up the idea of cutting all areas of farm production by the imposition of quotas, with compensation paid for loss of income through an increase in prices and a payment of DM 300 a year for each acre left lying fallow. The idea, however, could only work if high import tariffs round the community protected farmers from competition of cheap imports from outside the EC.

## American view

### Midwest families sure of survival

FROM SUSAN ELLICOTT IN WASHINGTON

LYLE Scheelhouse raises livestock and grows maize on his 900-acre farm on the plains of western Iowa, where hedgeless expanses of the crop run for miles interrupted only by silos. Recently he was asked what farmers in his region of the US heartland thought of the dispute with the European Community over farming subsidies.

"To tell the truth," he said, while American and EC negotiators several thousand miles away in Geneva struggled in vain to end an impasse that threatens to wreck the ambitious international trade talks, "they're not really up on it." The Midwestern state's economy is buoyant as many other parts of the country head towards a recession, and Mr Scheelhouse said, its farming families "think they'll be okay whatever happens".

The apparent indifference of Mr Scheelhouse's colleagues around Sioux City contrasts with the anxiety of American industrialists, who are relying on the Uruguay Round to introduce international rules for new areas of trade, including patents and copyrights. But congressional opposition to the round is strong, especially as US lawmakers, already notoriously protectionist, seek to please local industries in the run-up to a likely recession. Like many of America's large-scale farmers, lawmakers have little patience with the EC's refusal to end its protection for small uneconomic farmers.

Carla Hills, the US trade representative, has indicated that she will do everything necessary to promote American trade if the round fails, raising the spectre of bilateral trade agreements, the imposition of punishing tariffs on imports and the development, many experts fear, of regional trading blocs.

supported the administration's "no agreement is better than a bad agreement" stance.

Mrs Hills has calculated the benefits of a successful conclusion to the Uruguay Round at \$4,000 billion (about £2,062 billion) over the coming decade and has called GATT the "locomotive that would drive world economic growth into the 21st century".

## The David Watt Memorial Prize

An annual prize of £2000 is awarded each year as a tribute to a man widely regarded as one of the UK's outstanding writers, thinkers and political commentators.

It was introduced in 1988, following the tragic and untimely death of David Watt, to commemorate his life and work.

To be eligible for the prize, writers must be actively engaged in writing on international and political matters for newspapers and journals, and in the English language. In the opinion of the judging panel their writing must have made an outstanding contribution towards the clarification of international and political issues and the promotion of greater understanding of such issues.

The Memorial Prize is organised, funded and administered by RTZ to whom entries should be sent.

Full details and entry forms are available from The Administrator, The David Watt Memorial Prize, RTZ Limited, 6 St. James's Square, London SW1Y 4LD. Closing date for entries and nominations is 18th March 1991.

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## Museum building review ordered

Tim Renton, the arts minister, is setting in hand an initiative to review the building renovation needs of the national museums and galleries.

In a Commons written reply, he said that the review should be completed by next summer. At present, his department is providing £189 million over the next three years towards the maintenance needs of the buildings.

## Europe's ICL pledge

The European Commission as assured ministers that ICL Britain's last mainframe computer manufacturer, taken over by Fujitsu, would still be regarded as a British company in considering collaborative research and development projects.

## Export ban

The government has decided, in the light of recent developments, to extend the controls on the export of chemical weapons and chemical plant and equipment for chemical weapon purposes, Tim Sainsbury, the trade minister, said at questions.

## Enough work

Trading standards officers are already responsible for enforcement of 30 acts of Parliament and 900 regulations, Edward Leigh, industry and consumer affairs minister, said at questions.

## Gulf line

A Royal Mail parcelforce hotline, 0800 224466, has been set up to deal with enquiries on postal arrangements to the Gulf.

## Parliament today

Commons (2.30): Questions: Treasury; prime minister. Debate on developments in the EC. Lords (3): New Roads and Street Works bill, committee, second day.

## Backbench efforts to change law

TWENTY backbench MPs embarked yesterday on the difficult task of amending the statute book when they introduced bills in the House of Commons. Their plans for reform cover subjects as varied as the law on the sale of cigarettes to children and the powers of grazing committees in the crofting areas of northern Scotland.

Few if any private members' bills manage to overcome the obstacles before them unless the government provides support or takes a neutral stand. No bill will get through in the face of government hostility.

The bills were given formal first readings yesterday and are listed below on the Fridays for which they are set down for second reading debate.

January 18: Children and Young Persons (Protection from Tobacco); Radioactive Material (Road Transport);

Employment (Upper Age Limits in Advertisements); January 25: Pig Husbandry; Domestic Smoke Alarms; Wildlife and Countryside (Amendment).

February 1: National Health Service (Compensation); Local Government Finance (Publicity for Auditors' Reports); Aircraft (Noise Restriction).

February 8: Public Safety Information; Registered Homes; Trade Descriptions (Animal Testing); February 15: Badgers; Crofters Forestry (Scotland); Motor Vehicles (Safety Equipment for Children).

February 22: Courts (Research); Road Traffic (Temporary Restrictions); Parish Councils (Access to Information).

March 1: Estate Agents (Property Misdescriptions); Criminal Procedure (Insanity and Unfitness to Plead).

## Parliament tries to save the children

MPs AND peers from all parties and their staff came together yesterday to launch a parliamentary effort to save the forgotten children in Romania's mental institutions (Sheila Gunn writes).

The group's first action will be to raise money to turn Home Number Six near Bucharest from a concrete "nightmare" into a centre of excellence as an example to the hundreds of similar institutions for mentally handicapped children. Lord Mackay of Clashfern, the Lord Chancellor, and Bernard Weatherill, the Speaker, are to be the patrons.

The group was set up after a visit by a small parliamentary delegation to the home during a trip to Eastern Europe. Emma Nicholson, Conservative MP for West Devon and Torridge and chairman of

the appeal committee, said: "This is the first parliamentary appeal of its kind. These Romanian children tug at our heart strings so much that we are bound to help them." A former Save the Children fund official, she had been shocked by the depth of squalor and corruption in the home. The children were covered in flies, lice and open sores and lived amid sudden bedding within a concrete and barbed wire prison. They had no personal possessions and no family. "Home Number Six is one of about 200 equally grim institutions each housing hundreds of mostly mentally handicapped children", she said.

# Chancellor agrees that Britain is in recession

By SHEILA GUNN, POLITICAL REPORTER

## TREASURY

NORMAN Lamont accepted yesterday that Britain was in recession but ruled out a quick cut in interest rates or short-term fiscal measures to bail out industry.

In his debut as Chancellor of the Exchequer before the Commons Treasury committee, Mr Lamont predicted that the downturn in growth was "relatively short-term" and shallow.

He also followed his predecessor, John Major, in asserting that the headline inflation figure of 10.9 per cent had peaked and should come down to about 5.5 per cent by the end of next year.

Pressed by MPs about a recession, the chancellor said that Britain had suffered a one-quarter decline, which was the American definition of a recession, while the technical definition was a two-quarter decline.

"I prefer the commonsense definition of: is business really rough and business is really rough", he said.

In his opening statement, Mr Lamont said: "The outlook at the moment is particularly uncertain because of events in the Gulf. But it is clear that the right policies we have pursued are now really beginning to have their effect."

"I believe our forecast of inflation falling sharply to around 5.5 per cent by the end of next year is an achievable one."

"The headline figure may well have peaked and the underlying rate should start to come down."

He said his top priority, as was his predecessor's, was to get inflation down "and keep it down".

Until that happened there was no question of reducing interest rates. "So there will be no question of reducing interest rates further until I am sure it is safe to do so."

Public attention has shifted, he added, from inflation and balance of payments to the slowdown in industrial performance and its effect on jobs.

He also indicated a tough pay bargaining round for the public sector, insisting that the government should pay no more than necessary to retain and recruit workers.

The priorities for the public and private sector negotiators should be the same, he said, although the government had not always set a good example.

"We must not do that and we must drive a hard bargain", the chancellor told the committee.

On Britain's membership of the exchange-rate mechanism

of the European monetary system, he said that Britain was absolutely committed to staying within the ERM bands announced in October. He saw no immediate prospect, however, of entering the narrower bands.

"Obviously, I am a bit cautious about that. There is no timetable that has been set and we would need to have more experience of being in the exchange-rate mechanism."

Under questioning from MPs, he denied that he is now taking a more positive stance on European monetary union than in his speech to the Euro-sceptics in the Bruges group during the Conservative party leadership contest.

The government remains opposed to an imposed single currency, but it is not against the hard ecu evolving over the long term, he said.

"My attitude is not that Europe is full of ogres and spectres but ... to engage in negotiations constructively."

He added: "We must participate constructively in the inter-governmental conferences [in Rome this month] and must do our hardest to reach an agreement that satisfies our interests and could be reconciled with those of our Community partners."



Eating ministers is wrong: Kenneth Baker (right) visiting Wandsworth jail yesterday

## Labour fight on money union

By NICHOLAS WOOD  
POLITICAL CORRESPONDENT

### EUROPE

LABOUR'S internal divisions over economic and monetary union were exposed yesterday at a meeting of the parliamentary party.

Peter Shore, the former cabinet minister, led an attack on the leadership's tentative acceptance of a single currency, with the open backing of two of his colleagues.

In an open letter to Neil Kinnock, Mr Shore and his supporters said that they were shocked and surprised by the statement issued by the Labour's ruling national executive committee last week.

In remarks echoing a letter in *The Times* yesterday, they said it was extraordinary that Labour was prepared to bow to European pressure for a single currency while simultaneously acknowledging the unbearable strains of joining a monetary union before achieving full convergence of European economies.

Mr Shore said after the meeting that it was a grave mistake for Labour to accept the principle of a single currency. Abandoning the economic latitude conferred by a national currency would prove particularly disastrous for a Labour government committed to reducing unemployment and building up the country's industrial base. Mr Shore and Harry Ewing, Labour MP for Falkirk East, were critical of the alleged lack of consultation about the policy shift.

## 'Armed force for EC' call

By RICHARD FORD

### DEFENCE

THE Liberal Democrats called yesterday for the European Community to develop a common foreign and defence policy leading to a multinational armed force.

Paddy Ashdown, the Liberal Democrat leader, also called for European economic and monetary union to be achieved by 1997 rather than three years earlier and said the government must promote the use of the European currency unit (ecu) in both public and private business transactions.

Outlining the views of European Liberal Democrats, Mr Ashdown said that the Community should establish a council of ministers to shape a common foreign and security policy. A commissioner for security and defence would be appointed.

Mr Ashdown said: "The Gulf crisis has exposed the shortcomings of European political co-operation. It is now imperative that we move towards a common foreign and security policy."

In addition to economic and monetary union and the development of a common defence policy, the Community's political processes needed reform, he said. A paper from the European Liberal Democrat group says that the inter-governmental conferences in Rome should agree to give full co-decision-making powers to the directly elected European parliament.

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# US troops arrest leader of Panama rebels after siege

FROM ALAN TOMLINSON IN PANAMA CITY

REBELLIOUS Panamanian police who seized their headquarters on Tuesday night surrendered to American soldiers yesterday and their leader — a former police chief accused of plotting to overthrow Panama's civilian government — was later held after escaping in the confusion.

Retired Colonel Eduardo Herrera Hassan took over the National Police headquarters in the capital at the head of at least 20 rebels after a dramatic escape by helicopter from the island prison where he had been held since October for allegedly planning a military coup.

President Endara called in American troops from US bases along the Panama Canal to take control.

With the area surrounding the seized building sealed off by soldiers in full combat gear, Colonel Herrera walked out of the building, encircled by about 20 of his followers and a chaotic group of journalists.

He walked briskly through three separate military cordons and escaped. The American soldiers appeared not to recognise him, although he had been the American choice to lead Panama's reorganised security forces in the aftermath of the invasion 12 months ago which toppled the

military regime of General Manuel Noriega.

As the withdrawing rebels left the area for the streets of a neighbouring poor district, the colonel's followers suddenly ran towards the confused Americans and offered their surrender. It was apparently a trick. As they were disarmed and made to lie face down in the street, Colonel Herrera climbed into a waiting vehicle and drove off, but was later captured in a block of flats.

The drama began as dusk fell on Tuesday when the colonel made a dramatic jailbreak. A private helicopter swooped into the grounds of the maximum security prison on an island off the entrance of the canal and picked up the colonel in a hail of gunfire. He was flown to a police post in the mountains north of the capital before turning up several hours later to seize his former headquarters on the edge of the city.

Before the Americans arrived, the colonel said he had escaped because state prosecutors had tried to torture him psychologically into confessing to the "absurd fiction" that he had tried to overthrow the government. He later talked with Ramon Lima, the deputy interior minister, and demanded the reinstatement

of the military standing of Panama's security forces, which have been largely disarmed and reduced to a police force under the American-backed civilian authorities.

Colonel Herrera said he had the support of 600 police at barracks throughout the country but President Endara insisted that the country's 12,500 police remained loyal to the government. Since the invasion, many senior military commanders who served in the corrupt regime of General Noriega have been dismissed and 50 of them are in jail. General Noriega is in prison in Miami awaiting trial on drug trafficking charges.

In a separate development, the government has expelled two Cuban diplomats from Panama in a row over telephone calls from General Noriega to a former political confidant who has been in asylum in the Cuban embassy since the invasion. The general's calls from custody have been routinely monitored by American prison authorities, sparking a legal controversy in the United States. Panama says the tapes include conversations in which the general passed instructions to his associate to ferment political unrest. It blames the Cubans for complicity.



Back home: Mother Teresa, who was born in Albania, smiling as she meets children at a kindergarten in Tirana, the capital, before being awarded one of the country's highest honours, the Order of Naim Frashëri, by Nexhmije Hoxha, widow of the communist leader

## Polar mining ban backed

FROM NICHOLAS CATER IN PERTH

DEMANDS for a permanent ban on mining in Antarctica yesterday won the support of the world's largest environmental organisation.

Britain was almost the only dissenting voice, and its opposition drew fire from many campaigners among the 1,200 scientists and environmental

ists from 120 countries at the general assembly of the International Union for the Conservation of Nature, meeting in Western Australia.

The resolution urged the Antarctic Treaty states to "work towards the adoption of a comprehensive environmental protection regime for

Antarctica embodied in legally binding agreements" and to "incorporate in these agreements a permanent exclusion" of mineral exploitation. The resolution was passed without opposition. Britain, America and Norway said that, had there been a vote, they would have abstained.

## Bush keeps faith with a new order for New World

FROM PETER STOTHARD, US EDITOR, WASHINGTON

WITH Washington torn by the rhetoric of peace and war, President Bush and his entourage have reached the midpoint of a South American tour that critics call pointless and supporters say is vital for the continent in the long term.

This weeklong goodwill tour has been long on distance and short on substance. Behind the White House travellers are Brazil, Uruguay and Argentina. Ahead are today's talks in Chile and a long flight to Venezuela.

Mr Bush has always set great store by South America. He has wanted to reassure fellow American presidents there that his worries over Eastern Europe and the Gulf have not driven their concerns from his agenda. Since he has little cash to spend, the symbolism of his appearance is all the greater. Even if his reception has not always been overwhelming (in Brasilia the parliament chamber was "not exactly packed", as one loyal aide put it), Mr Bush has judged his visit worthwhile.

His chief aim is to sell the distant ambition of a pan-American free-trade zone that would stretch from Alaska to Tierra del Fuego. Mr Bush has called for an end to talk of a first world and a third world, instead announcing the dawn of a "new" New World.

The president does not have the ability to make an old coinage seem newly minted, but this concept looks forward to a commonwealth of free-trading democracies which will enrich each other much as do the members of the European Community. For the moment, however, it is an ambition for the very distant future. The United States is still adapting to the effects of its free-trade agreement with Canada. Next in line is Mexico, whose politicians are still considering the likely impact on their highly protected industries. The workers of Texas and California, who will have to compete with cheap Mexican labour, have barely begun to contemplate the effects.

Mr Bush believes Brazil, Uruguay and Chile must be assured that United States interests do not stop at its immediate neighbours. The visit to Uruguay, for example,

was the first by a US president since Lyndon Johnson's in 1967. Mr Bush has also been keen to send a gentle message to the squabbling Gatt negotiators in Geneva that, in the event of the trade talks collapsing and the world dividing into European and Japanese economic blocs, the Americas have the power to become a self-protecting trade bloc too.

So far, the new initiatives from Washington have been small: a proposed \$300 million (£155 million) investment fund announced in June, some tiny food loans which were all that remained from a more ambitious debt-relief programme that died along with the 101st Congress a few weeks ago, and some easing of politically imposed trade restrictions against Chile. But the Bush rhetoric has been designed to make the most of what little has been achieved and hold out the prospect of more for the future.

His advisers even managed to put a positive gloss on the army uprising in Argentina only two days before his visit. Lawrence Eagleburger, the deputy Secretary of State, said: "My argument would be that, fundamentally, democracy in Argentina is working and when this is over it will demonstrate that the roots are fairly deep."

When Mr Bush launched his initiative for the Americas in June, he spoke of the programme having three pillars: trade, investment and debt. These, it is hoped, will replace the previous drugs, immigration and debt.

The region's crushing debt burden has been discussed only lightly on the present trip. There have been no new drugs initiatives, and illegal immigration awaits the solution of open borders. But, even if the builders of the new New World have not yet arrived, the architect is still travelling hopefully.

● BUENOS AIRES: President Bush arrived here yesterday at the start of a one-day visit. Hours before his arrival, two bombs exploded outside branches of the US-owned Chase Manhattan Bank, causing slight damage. Nobody was injured. (Reuters)

## Dhaka chief justice to replace Ershad

FROM AP IN DHAKA

THE Bangladeshi opposition yesterday selected the chief justice of the supreme court to head a caretaker government, meeting President Ershad's condition for resigning.

The candidacy of the chief justice, Shahabuddin Ahmed, was expected to be accepted by parliament on Saturday with General Ershad's support, according to an opposition leader, Begum Khaleda Zia. Sheikh Hasina Wazed, another opposition leader, confirmed the choice.

General Ershad, aged 60, capitulated to the opposition campaign to oust him on Tuesday and said he would step down as soon as the opposition agreed on a candidate to replace him.

Jubilant crowds paraded through Dhaka and other key centres. In Rajshahi, a student leader was killed and two others were wounded by security guards when they marched on the home of a high-ranking state official.

Several thousand people assembled at Dhaka airport demanding that the airport authorities stop General Ershad or others in his government if they tried to flee.

Begum Zia and Sheikh

Hasina, who led the seven-week campaign, appealed to their followers for calm. They gave a warning about "the people's wrath" if the general reneged on his promise to go.

Mr Shahabuddin will be nominated for the vice-presidency and his election is expected to be supported by General Ershad's Jatiya Party which controls two-thirds of the legislature. Mr Shahabuddin's confirmation as vice-president would clear the way for him to succeed General Ershad in compliance with the constitution. Once in office, the caretaker government is likely to dissolve parliament, making new elections possible. Opposition parties boycotted previous elections, saying General Ershad would have rigged the voting against them.

Sheikh Hasina, addressing a rally of 50,000 cheering and chanting followers, said that the effort to unseat the president was not over, and she called for the immediate dissolution of the cabinet. A senior minister said: "He is still in charge of the government." Other sources said the armed forces were still taking orders from the general.



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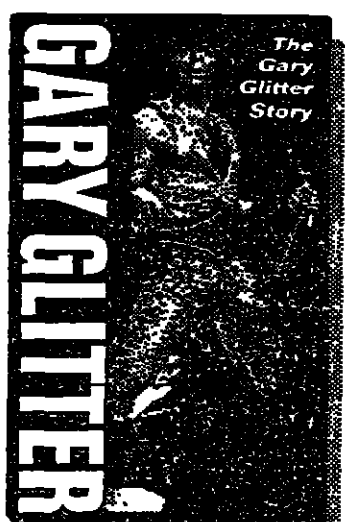
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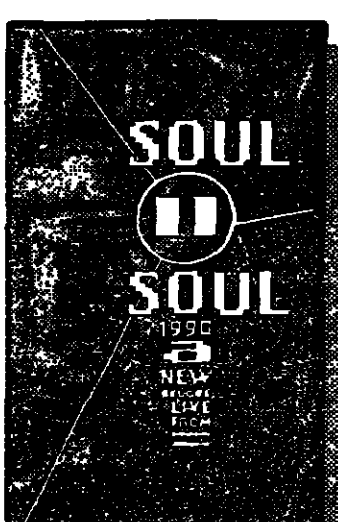
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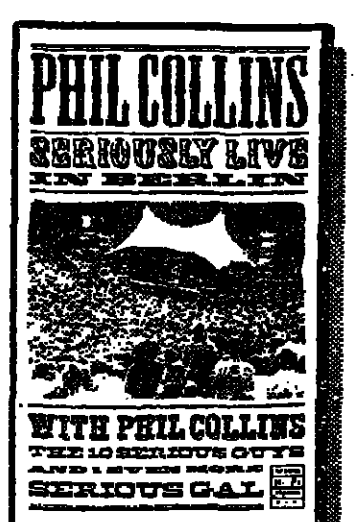
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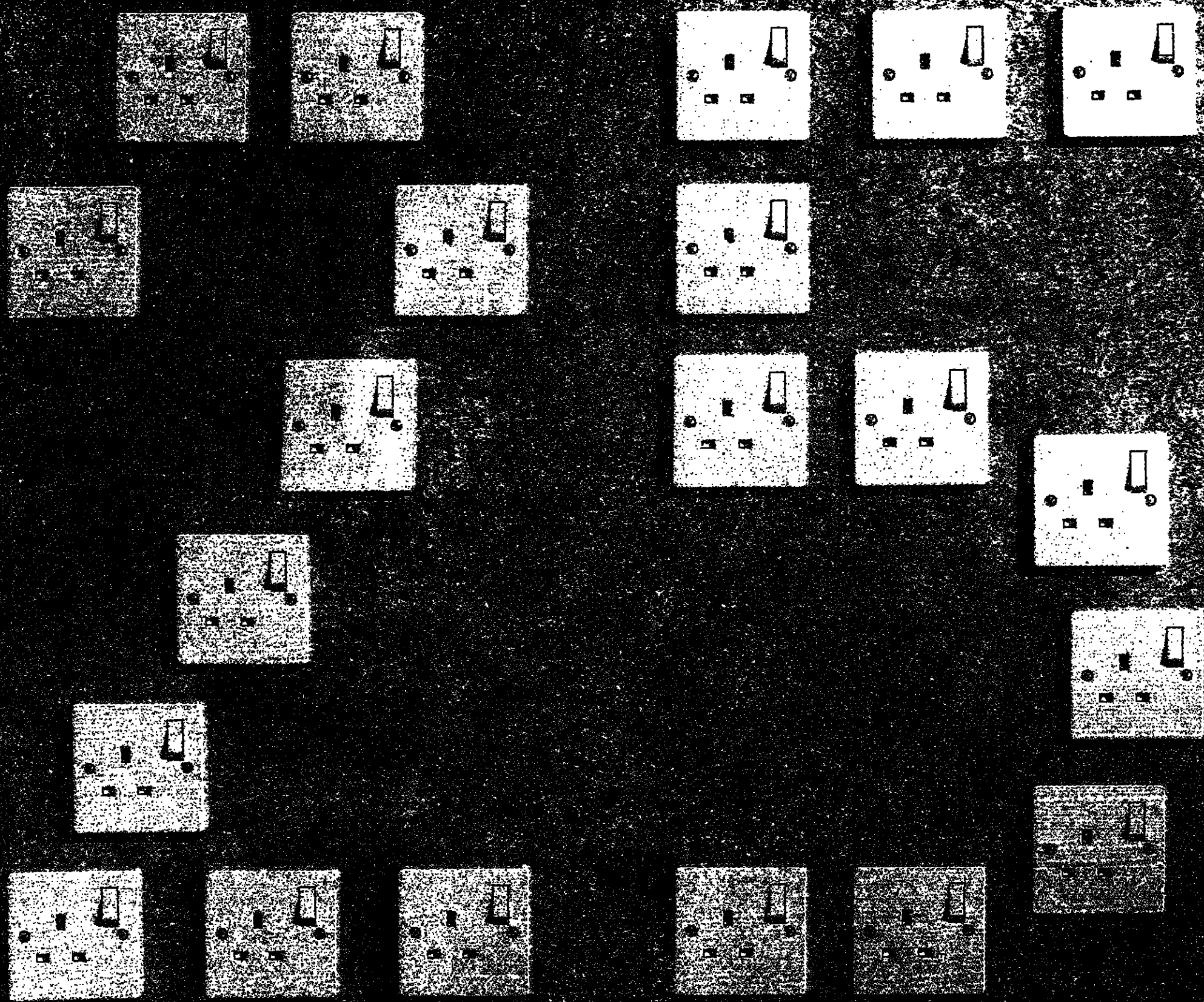
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# The subsidy is always greener

Michael Hornsby

The Royal Smithfield Show at Earls Court, where the glossy new farm machinery on display belies the economic malaise in the agricultural industry, has been wearing a brave business-as-usual face this week. But the thoughts of farmers visiting the show have been focused on the General Agreement on Tariffs and Trade negotiations in Brussels, where the European Community is under growing pressure to cut farm subsidies in the interest of liberalising world trade.

The chief target of the Americans and the Cairns group of 14 food-exporting countries is the EC's bloated common agricultural policy. The more astute minds in farming recognise that the CAP in its present form is doomed, and while fighting to keep it alive for as long as possible they are casting about for new arguments to persuade governments to cut farm subsidies in the interest of liberalising world trade.

The idea is attractive, but hard to put into practice. Calculating the conservation cost to the farmer, in terms of income forgone, is relatively easy. It is much harder to put a value on more intangible benefits, such as the pleasure we derive from looking at a landscape. Yet that may matter more to most people than preserving a rare species of butterfly or remote stretch of bogland.

Any generalised system of green subsidies, of the kind recently proposed by the Council for the Protection of Rural England, might simply enrich better-off farmers without markedly improving the environment. The hills of Wales and Cumbria have been shaped by a kind of traditional farming that in many areas is no longer economic. If we want to preserve those landscapes there is a strong case for paying for such farming to continue at a sustainable level.

There is a much less clear case for paying, say, the barley barons of the South-East to put back hedges and ponds and copses. They are the farmers best placed to survive in a free market, and arguably they should be allowed to get on with what they do best: growing cereals. No amount of green titivating is going make East Anglia look like the Cotswolds.

The argument that the countryside must continue to be farmed is also open to challenge. In some areas allowing the land to return to nature might not be a bad thing. As price-linked subsidies are phased out, farmers will have less money to spend on fertilisers and chemicals or on draining meadows or cultivating marginal land.

So market forces might, in fact, achieve many of the ends desired by environmentalists.

The market alone, however, is unlikely to produce the countryside we want. Paying farmers to stay in the hills, create wildlife habitats, plant broad-leaved trees and maintain hedgerows and stone walls is sensible. But trying to keep all small farmers in business is unrealistic. Purchase, or management, of their land by larger neighbours may be the best way of preserving the countryside in many areas. Compulsory production curbs, of the kind favoured by the National Farmers' Union, might offer temporary relief, but ultimately incomes can be sustained only by reducing the number of farmers.

# Jeremy Laurance says Labour's new reforms, like the government's, fail to ask if treatments work

## Is the NHS good for our health?

All human beings suffer from an incurable, degenerative disease: it is called mortality. All governments have fewer resources than they could, ideally, spend on treating it. These are the only certainties in health care. The challenge is to postpone death as long as possible and preserve a decent quality of life at a reasonable cost. The available money must, therefore, be spent effectively.

Who is checking on the effectiveness of National Health Service spending? The government insists that its reforms will achieve better value for money. But this is a euphemism for cost control. The focus of the reforms is on the money - getting "more bang for the bucks" as one management expert put it - not the value. Almost no research is being done on outcomes: what hospitals achieve. No one knows whether the NHS is good for our health.

More than two years ago the Commons social services committee demanded that "urgent attention" be paid to the development of "improved measurements of the effectiveness of the

NHS". The following day, the then secretary of state for health, John Moore, announced plans to draw up a "health index", comprising a portfolio of health indicators which would "enable us to assess much better than we now can how the health of the nation is actually developing".

The proposal has not been heard of since. To the embarrassment of ministers and civil servants it proved unworkable, and was quietly dropped. The idea had been to devise a composite measure similar to the retail price index, which would show real health gains, or losses, region by region and year by year. But the plan was naive because almost no work has been done on developing measures of health sophisticated enough to produce such an index.

A version of the plan was revived by Kenneth Clarke, John Moore's successor, at the Conservative party conference in October. Health authorities would be set targets for reducing deaths from heart disease, cancer, asthma and diabetes. Again, nothing has been heard of it. But William

Waldegrave, the new Secretary of State for Health, is said to be working on a discussion document for publication in the new year.

Today, the Labour party will pre-empt the government with the publication of its alternative proposals for the NHS. For the first time, Labour acknowledges that there are serious deficiencies in the existing health service and that there can be no going back to the pre-reformed version. It agrees with the government that the NHS's fundamental problem is a built-in disincentive to efficiency.

The hardest working hospitals spend their money quickest and end up having to close wards and cancel operations when they run out of funds. But the government's answer to this problem - establishing a market in which hospitals compete to sell their services to health authorities and are paid for as much as they do - is dismissed as expensive, dangerous and an administrative nightmare.

Instead, Labour will replace the market allocation of funds with "distribution by workload". The

hospitals that work the hardest will receive the most resources. Labour will retain the principle of the divide between the purchaser (the health authority) and the provider (the hospital), but without the element of competition.

The problem with the Labour scheme is that it will reinforce the power of doctors by giving them extra funds to do more of what they already do, thereby undermining the power of health authorities to change priorities and allocate resources to different health programmes. To counter this Labour has lifted an idea from New Zealand where, since last December, the ministry of health has laid down specified health targets which local health boards are required to meet.

In Labour's policy document, the New Zealand targets have become "performance agreements", to be introduced at all levels of the NHS. Under these, health authorities and hospitals would be required to meet objectives, not only for reducing waiting lists and improving patient satisfaction, but also for reducing

infant mortality, deaths from heart disease, cancer, asthma and so on - a very similar list to that being devised by Mr Waldegrave.

The challenge for both parties will be to make the target stick. That will require a fundamental change of focus in health care. The precedents are not encouraging. In 1863, Florence Nightingale instructed her nurses at St Thomas's Hospital in London to record in the notes of each patient discharge whether they were "dead, relieved or unrelieved". More than a century later, the only outcome measure we have for hospitals is a composite figure for the number leaving ("deaths and discharges") which fails even to distinguish the dead from the living.

The debate about the NHS is almost exclusively centred on how much it is doing: more money spent and more patients treated than ever before. No one dares ask whether everything it does is worth doing. Yet what else can be meant by "giving good value"?

The author is a journalist specialising in health affairs.

# One of the sillier grudges in the music hall of time

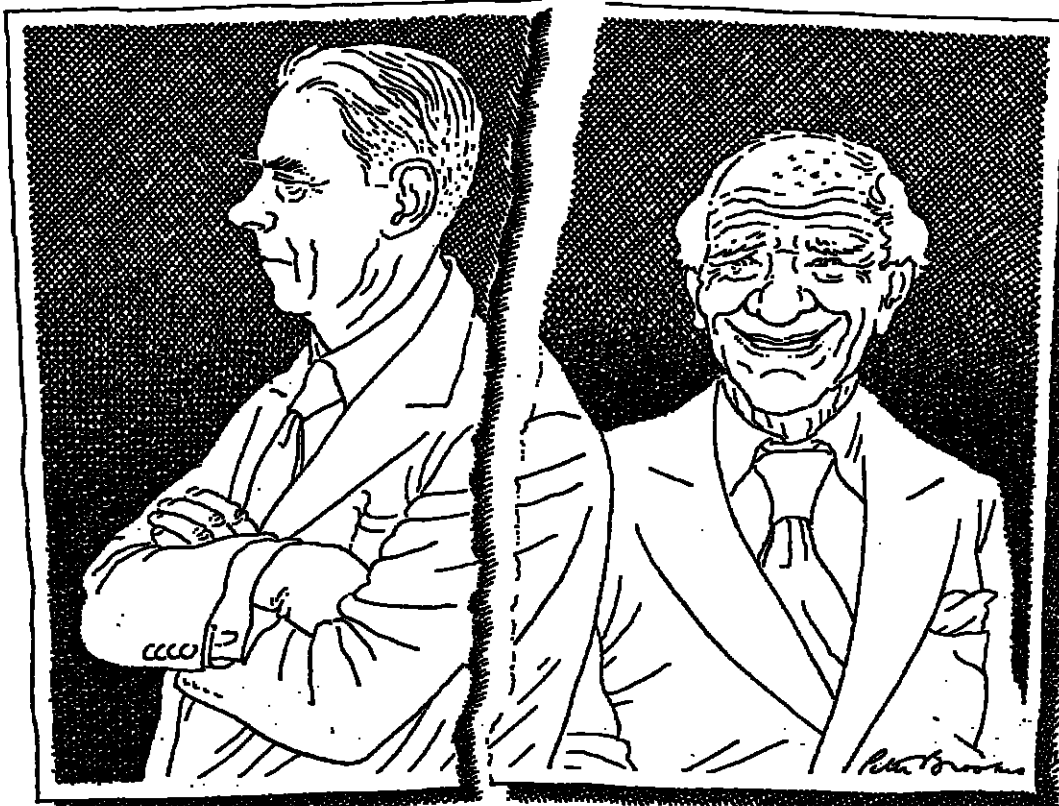
When Malcolm Muggeridge died, there were, most fittingly, substantial appreciations and reminiscences throughout the media. One brief note, easy to miss, struck me speechless - a condition in which I am very rarely to be found. It recorded the astonishing and dismal news that one of Muggeridge's friends, the well-known novelist Anthony Powell, had, in the mid-Sixties, fallen out with Muggeridge to such an extent that he had not spoken to his former buddy for 17 years.

The world being what it is, I do not suppose that that is a record. But it must be something of a record among civilised, mature, successful men of the world. The question immediately arises as to what St Mug (it was I who coined the canonisation, and I was delighted when it caught on - as was he) had done to Mr Powell to invite non-speaks from 1964 to 1981. Did he make a pass at Mr Powell's mother-in-law? Did he cheat Powell of a legacy by forging a will? Did he poison Powell's cat, throw stones at Powell's children, squeeze Powell's toothpaste from half-way up the tube?

None of these things. He wrote a fiercely adverse review of one of Powell's novels. And after that, all Powell's communications with his friend the critical reviewer were shut down entirely, not for the ensuing weekend, as one might think reasonable, but for 900 weekends. And what makes the business even more bizarre is that Mr Powell now says that he took the review to be a coded message from Muggeridge, saying that he did not want any more association. A line from *Twelfth Night* springs unbidden to mind: "Why, there's for thee, and thee, and thee - are all the people mad?"

Well, are they? Remember where they were when the trouble started: Powell was not a distant acquaintance of Muggeridge's, or someone he disliked already, or a neighbour with whom he was always quarrelling. He was a close friend. Yet the friendship was shelved for 17 years after the friend in question had given him a lousy review.

I must say, though it will be dismissed as mere anecdotal evidence, that if I ceased to speak (for 17 years) to every friend who published one or more of my



Bernard Levin ponders the illogical course of a literary feud over nothing that divided two friends for seventeen years

books by way of review, there would be a hell of a lot of Tipex in my address-book. Why, my very first book was knocked about most brutally by Anthony Howard, though not only was he a friend, but a friend I had recently done not one but two signal services in the way of friendship. Well, did I turn on my heel when I next ran into him? Did I send him a curt message to the effect that I never wished to hear from him again? Did I lie in wait till I could do him a harm?

Of course not; I wouldn't be such a damned fool, and not only because if I had stopped talking to him I would have missed, over the years, a great deal of political gossip of the most delightfully scandalous kind, oodles of which he always has on offer.

Turn it round. Not long ago, Ludovic Kennedy wrote a short book, one of the *CounterBlasts* publications, advocating the legal-

isation of euthanasia. When I had finished stamping the entire series into the ground in one column, I turned my fire on Ludo's contribution in another, and I must admit that I went quite far. Ludo replied to me on the correspondence page, defending his argument against my assault. And did he, in his letter, say or imply that he would never again break bread with me? Of course not, for he, too, wouldn't be such a fool. Instead, he referred to me in his letter as "My old friend Bernard Levin", and plainly meant it.

Ludo isn't a saint, any more than I am; what distinguishes us from those who bear Waughlike grudges for years on end is a sense of proportion. If I may broaden the area of hurt a little, I can instance an occasion at Lady Pamela Berry's luncheon-table when I engaged Paul Johnson to such an extent that - I was sitting beside him - he turned his chair

round to give me his back, and ignored me to the end of the lunch. Paul, as it happens, has a fiery temper, but when I next met him it was obvious that he had altogether forgotten his anger half an hour after he got home.

And yet it seems that even a man of Anthony Powell's quality and success could not bring himself, for 17 years, to speak to Malcolm Muggeridge (incidentally a man to whom the very idea of breaking off a friendship because of a hostile review would have seemed the funniest thing imaginable) after he, Muggeridge, had thought less highly of his, Powell's, book than Powell had.

"Let not the sun go down on thy wrath." Good advice, so often unheeded. I can no longer remember what was the cause of the breach between Dickens and Thackeray, but I can recall the splendid scene at the *Travellers' Club*, when Thackeray flung his arms round

Dickens and cried: "For God's sake, let's be friends - life isn't long enough to bear grudges!"

Nor is it, particularly when the grudge is based on something as trivial as a bad review. I used to be a theatre critic, a trade in which it is impossible to avoid making enemies, unless one takes literally the Hollywood adage: "If you ain't praising them, they ain't listening." On the other hand, a critic should be wary of making friends among those whose work he is called upon to judge, because the theatre's skin is almost unbelievably thin, and friendships can crumble much faster than they can be built up.

Mind you, there are sensible people even in Shaftesbury Avenue. My regard for the work of Tom Stoppard could not be higher; I regard him as one of the greatest theatrical artists alive. One play of his, however, I thought very poor; I studied myself and said so, whereupon I got a wonderfully Stoppardian letter in which he said that he had pondered much over his play in the light of my review, but that in the end he felt unable to agree with my estimate of it.

I did lose a friendship once, in the strangest way. I wrote a column about an exhibition of paintings; the artist was, and is, one of the most successful in the land, and is very highly regarded. Rejecting the general view, I made clear that I thought his very great technical accomplishment only pointed up the sterility and poverty of his imagination. A few days later I received a letter from an old friend of mine, who was (something I did not know) a passionate admirer of this artist's work; the letter was so savage that it truly shocked me. The shock passed; but the writer had said she wanted nothing more to do with me, solely because of my article. Of course, I should have argued with her, trying to point out the absurdity of breaking off a friendship because I liked the work of a certain artist less than she did. To my regret, I just shrugged and let it go. If she reads these words, I would like her to know that my affection and admiration for her have never been diminished, and that, as Thackeray knew, life is too short to bear grudges.

## ...and moreover

### CLEMENT FREUD

Leaving Totnes station, you drive west across the bridge and make for a road going south. The occasional sign promises Carnworthy (which is too far) and Ashprington (which would be a mistake). The thoroughfare narrows so that two bicycles can pass only when guided by people manifesting optimum hand-eye control; if a car should encounter another, one of them would have to go back - possibly as far as Tuckenhay Barton. Nearby is a village called Tetton, to which there appears to be no access at all.

I was making for Tuckenhay, the landlord of its hostelry, the Mahters Arms, had invited me to dinner. Tuckenhay is on a tributary of the River Dart, where the water decided to flow west for a stretch, while the main stream proceeds in a northerly direction towards Ruckslough. Not a lot you can do when you get to Tuckenhay except go back whence you came or walk into the pub; it is warm and welcoming, the bar is long, there is a sitting-out room at one end and a games room at the other. A restaurant with nine tables overlooks the water. A young barman serves drinks and keeps a rough eye on the silver platter of hot, shining pork sausages surrounded by a variety of mustards. I ask for a pink pig - Plymouth - because last week's Food and Drink programme decreed that Plymouth was best.

Behind the bar is a shop - well, a shelf - bearing bootlaces and Mary bars, yo-yos, candles and woolen socks. A woman came from the kitchen below to replenish the platter with plumper, hotter sausages and I asked about the landlord. It transpired that he arrives at 8pm, after his siesta, but had engaged for me accommodation in a house on a hill up a sole opposite the pub. There, did I want the chateaux called Viv. Taped music written for November evenings in West Country sitting-rooms filled the air, and when I went upstairs the bath was deep, the water hot, the towels soft and large.

At 8pm I returned to the pub, where there were distinct signs of activity - people in the bar, more sausages on the platter, three young servers moving

around the dining room giving a finishing polish to the glasses, straightening the silver - and the door opened to admit a man in a well-cut blue suit, navy and white silk scarf around his neck, a red carnation threaded through his button-hole with the stalk pointing sideways towards his shoulder. It was himself, Le Patron, a legend in his own opening time.

He shook hands with the customers, greeted the barman, asked the number of the barman's bookings from his waiter (it was a low, even number which on further enquiry included us) and we settled down to talk of this and that, also about life after pink pig, of which we consumed a few.

Keith Floyd, my host, bought a cottage in south Devon some years ago, and in 1988 a man asked him why he did not frequent the Mahters Arms. Keith awarded him his best quizzical look, behind a pair of aviator sunglasses and said: "I don't go there because it is a bloody awful pub that does so all for its customers and smells of rancid fat." Later that week he bought it for £310,000, runs it as a gentleman should run such a place: with skill and humour, and he encourages people to bring children and animals and their grannies.

His take is upwards of £600,000 a year, on which he can make no profit because there is about his philosophy none of the "dim lights to save fuel bills" approach. Generosity rules OK.

We eat. A marvellously flavoursome pea-and-bacon soup, gravadlax, which needed dill and mustard sauce. Keith had made this earlier in the week and put it in a Kilner jar; now no one can find it. Everyone goes to look. Roast English lamb for him, Dover sole for me. We eat rabbit, trifle, and with the Eau de Vie, after the white wine and the red wine, before the Armagnac, pieces of fudge made by the waitress.

Children, animals and grannies who had arrived, left. And some time after midnight I remember that we agreed a deal: we are going to do a programme. It is to be called Floyd on Freud, or possibly Freud on Floyd on Food. Something like that. We drank to it.

## Stop-press to the Commonwealth

The increasing threat of war in the Gulf has presented the Queen with a dilemma as she puts the finishing touches to her Christmas message to the Commonwealth. The speech is due to be recorded next week, but the need to reflect in it the military confrontation and the possibility of its escalation into fighting mean that the Queen will wait until the last possible moment to set the tone, and contingency plans may be laid for last-minute alterations.

It's a difficult situation for her, says a BBC source. "She views the annual event as one of the few occasions when she can be her true self. It is not like the Queen's Speech to parliament, which is written for her by the government. She writes the Christmas message herself and really wants to set the correct tone."

In 1988 the message was recorded ten days before Christmas and was already on its way to radio and television stations throughout the Commonwealth when three tragedies - Lockerbie, the Clapham rail crash and the Armenian earthquake - shattered the festive spirit. The Queen, concerned that her annual message did not contain words of comfort for the injured and bereaved, recorded an insert which was included in the transmission.

Last year the message was left deliberately short to allow the insertion of updated remarks. Fortunately it proved unnecessary, but it meant that ITV and the BBC had to adjust their

schedules and advance afternoon programmes by several minutes to make up for the shortfall.

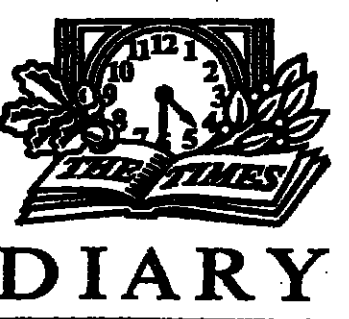
Sir David Attenborough, who has produced the broadcast for the past five years, is on standby, awaiting a summons when the speech is finished. It will be recorded in the Regency Room on the ground floor of Buckingham Palace, with the Queen delivering her script seated near a window overlooking the garden.

"All I can say is that this year's message will be very short," says Sir David. "Last year we had a complex production with Her Majesty which we filmed at the Albert Hall. It will be nothing like that this time."

It's a funny old world," said Mrs Thatcher, in what has become the catchphrase of the ending of her era. But it seems John Major, too, has a nice line in Jimmy Greaves sentiments. Last week his opening words to his first cabinet meeting as prime minister were: "Who would have thought it?"

## Trojan kilt

A good Glaswegian lad, Jeremy Isaacs, general director of the Royal Opera House, is relying on the visit of Scottish Opera for its first Covent Garden season to uplift a generally dismal year for the house. Short of donning his kilt, Isaacs has done everything possible to ensure a warm welcome to the company. Personally written notices of good wishes have been posted everywhere backstage and the Scots have generally been treated like conquering heroes. "I left Glasgow before the golden early days of Scottish Opera. You could say I



## Black bird

Adding injury to insult, the new Bird of Liberty logo of the Liberal Democrats, devised by Mrs Thatcher as a dead parrot, seems to have been hijacked by the Co-operative Funeral Service. Paddy Ashdown ordered the logo earlier this year at a cost of £10,000, and the design, suggesting new life and fresh hope, was launched with much fanfare at the Lib Dem conference in September. Liberal Democrat MPs were therefore disconcerted

## Double exposure

The BBC was forced to resort to subterfuge and impersonation to film this week's documentary, *Crashing the Bridge of No Return*, about the two Koreas. Suspecting an unflattering portrait, the North Korean government refused to allow Brian Barron and his crew into the capital, Pyongyang. Yet despite the ban Barron is shown in the forbidden city, telling viewers: "This is a paranoid society."

What the film does not reveal is how Barron and his crew slipped into the country. In return for a promise that while there they would make a free promotional video for a Hong Kong tour company, they were "loaned" identities by the firm and masqueraded as its representatives.

"We are now editing the video to highlight the delights of North Korea as a tourist destination," says a BBC spokeswoman. It promises to be a very short tape.

## Mather jilted?

As Sarah Hogg takes over as head of the policy unit at 10 Downing Street, there is speculation that John Major failed to get the man he really wanted. Graham Mather, director of the Institute of Economic Affairs, Mather refuses to comment on suggestions that he had turned the job down, while some say that the prime minister was talked out of offering the job to someone so closely identified with the right of the party.

One of the nicest tributes to Hogg, who will receive a salary of £70,000, came from her father-in-law, Lord Hailsham, who sits in the Lords next to her father, Lord Boyd-Carpenter. Hailsham's son, Douglas, her husband, is a minister of state at the Foreign Office. "Sarah seems to have taken Douglas from the rear and passed him," Hailsham said proudly.

when they saw the Co-op funeral advertisements this week with a virtually identical bird.

Sir Cyril Smith wails: "I knew something like this would happen. The only question now is will we be attending the funeral as mourners, or will the party be in the coffin come the next general election." Matthew Taylor, the MP who co-ordinated the project, puts a braver face upon it. "The funeral is what we aim to provide for our political opponents," he says.

A spokeswoman for the Co-op explains sweetly: "It's supposed to be a dove to imply people are at peace." Beneath the bird appear the words: "Guarantee your funeral at today's prices" - surely an offer no politician can sensibly refuse.

## I think the one at the back is a vulture

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# Top America general vows to liberate Kuwaiti lands

By MICHAEL EVANS, DEFENCE CORRESPONDENT

PRESIDENT Bush's top military commander promised Kuwaiti citizens yesterday that America would return their country to them. He could not say when this would happen.

General Colin Powell, chairman of the US joint chiefs of staff, also pledged that President Bush would not move "one inch" from his stated objective to remove Iraqi forces from "all of Kuwait".

"The American leadership is not going to blink and nor will the international community," he said.

General Powell's comment, after giving the Eisenhower centenary memorial lecture at the Royal United Services Institute in London, served as a warning to Baghdad that there will be no compromise deal.

## Annual tree damage put at £16bn

Vienna — The commercial loss resulting from damage to European forests by air pollution will be at least £15.8 billion a year over the next hundred years unless sulphur emissions are curbed drastically, according to a study released yesterday by the International Institute for Applied Systems Analysis (Brenda Fowler writes).

The non-governmental research organisation based in Austria says the cost includes losses in commercial wood harvest, industrial processing of wood and social benefits. The study was the most comprehensive yet of European forests from Scandinavia to the Ural mountains.

## Rahman ill

Kuala Lumpur — Tunku Abdul Rahman, aged 87, Malaysia's founding prime minister, was rushed to the intensive care unit of Kuala Lumpur general hospital after suffering serious internal bleeding, diarrhoea and dehydration. His condition is described as "critical".

## Historic verdict

Auckland — A New Zealand man has been found guilty of sexually torturing and murdering two Swedish tourists whose bodies were never found, marking only the second murder conviction in the country in which no body was available to provide evidence. The first was in 1942. (Reuters)

## Zimbabwe deal

Harare — The Zimbabwe government has confirmed that it will confine its troops in Mozambique to two narrow transport corridors as agreed in Rome last Saturday by the Renamo rebels and the government of the former Portuguese territory.

## Executive killed

La Paz — Jorge Lonsdale, the president of Coca-Cola's Bolivian subsidiary, has been killed by the guerrilla group that kidnapped him six months ago. His death came after police surrounded a house in La Paz where he was being held. (Reuters)

## Nuclear talks

Karachi — Dresita Schaffer, the American deputy Assistant Secretary of State is arriving in Islamabad for talks with Nawaz Sharif, Pakistan's new prime minister, about Pakistan's nuclear capabilities.

## Record flight

Melbourne — A Soviet cargo plane has completed a record-breaking non-stop long-distance flight. Bill Astling, a representative of Antonov Airlines, said. The Antonov AN124 landed back at Melbourne after flying 30,000 miles over the two poles in 72 hours 30 minutes. (Reuters)

## Swiss choice

Zurich — The Swiss parliament elected the country's vice-president, Flavio Cotti, as president of the confederation for 1991.

# British hostage dies at strategic site in Iraq

By ALICE THOMSON

DONALD Major, a Briton aged 57, died on Tuesday, apparently of a heart attack, while being held hostage by Iraq at a strategic site. He was one of the first to be held after the invasion of Kuwait. Iraq has ordered a post-mortem examination.

Mr Major was on the list of sick and elderly hostages whose release has been specifically requested by Britain. Before the invasion he was employed in Kuwait by the W.S. Atkins consultancy. He was moved to a strategic site in Iraq in late August.

The Foreign Office released an official statement yesterday saying his death underlined the need for

Powell said, he intended it to be short and decisive with a minimum of casualties. That was why American reinforcements had been sent. "You can see from phase two (of Operation Desert Shield) that we will use overwhelming force," he said. He did not know how long a war would last. But the commanders in the field had assessed the strength and weaknesses of the Iraqi army. The plan, he said, would be to attack the most vulnerable points.

General Powell acknowledged that even if Iraq withdrew, there would be a "long-term problem", because President Saddam Hussein would still be in power. He predicted that allied troops would have to stay in the region as a stabilising force. "A lot will depend on the role the UN will play," he said.

He was convinced that Arab friends in the area would be willing to have more American troops in the region after an Iraqi withdrawal than there had been before August 2, the day Iraq invaded Kuwait.

The general said he was not sure whether President Bush was aware of the American firepower lined up against him. "I don't know what CNN has been broadcasting," he said, referring to the American Cable News Network television station which has been providing saturation coverage of the Gulf confrontation since it began.

The United States, Britain, Egypt, Syria and two dozen other countries had assembled a formidable army in Saudi Arabia. "The Iraqis are not facing 15-year-old teenage cannon fodder," he said. General Powell said he was not advocating "indiscriminate use of force", but if the allies were to go to war, it was their responsibility "to go to war to win".

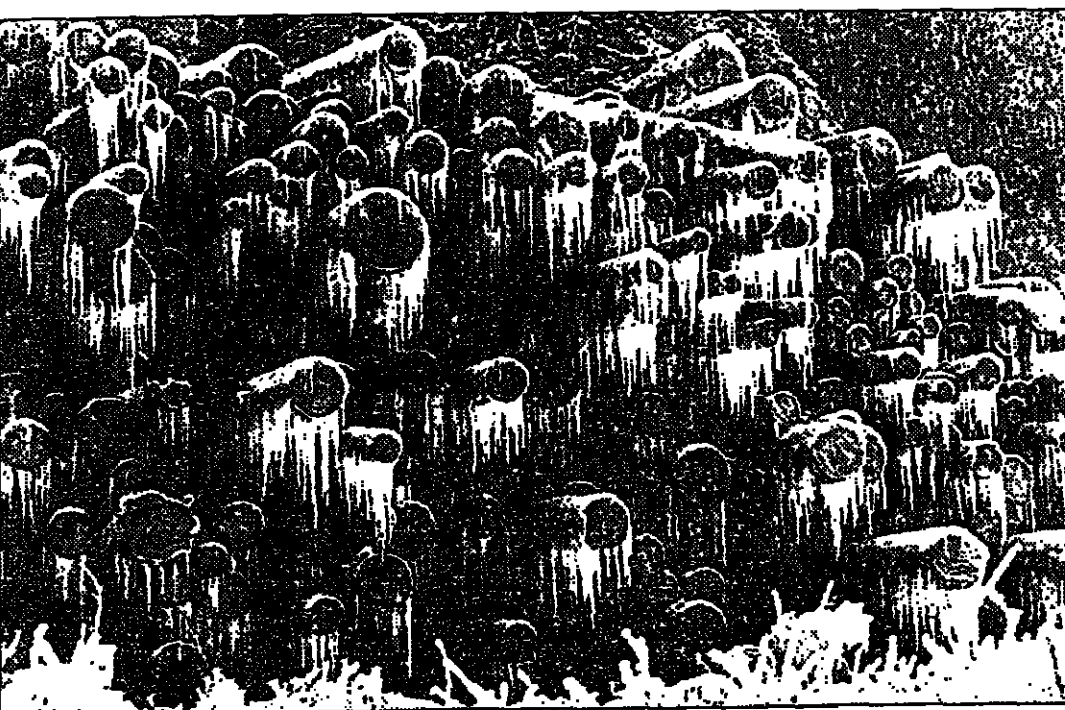
He admitted that the Iraqi invasion had caught everyone by surprise. "We thought the new era (after the end of the Cold War) would give us some breathing space," he said. The Iraqi invasion was such a clear case of totally unprovoked aggression that there was no choice but to respond.

Asked whether Israel might take pre-emptive action against Iraq, General Powell said he did not expect the Israelis to attack.

ABU DHABI — Arab states need to forge new security and economic arrangements to prevent internal conflicts in the wake of the Iraqi invasion, Mahmoud Riad, the former Arab League secretary general, has said. Mr Riad, in a lecture on Tuesday, said Egypt, Syria and Gulf Arab states should immediately open talks on such arrangements. He said the time element was extremely important.

It was the duty of those states to forge a nucleus for joint Arab action, he said. There must be a new economic mechanism so that oil would not remain the Arab states' main source of wealth. But such new development would not be realised unless Arab funds were channelled in from abroad. (AFP)

Ozai interview, page 35



Winter's wonder: icicles hanging from logs in the Swiss village of Giswil preface a real winter not seen in the Alps for years. Logs are regularly watered to protect them from bark beetles



Conducting operations: General Colin Powell, chairman of the US Chiefs of Staff, addressing an audience at the Royal United Services Institute in London yesterday. He said America would use overwhelming force in any Gulf war to win quickly and decisively

# Soviet budget hitch over high spending on defence

From MARY DEJEVSKY IN MOSCOW

THE Soviet parliament has postponed discussion of next year's plan and budget for at least a week because of arguments about defence allocations. The draft budget, presented to parliament 10 days ago but not discussed, proposed spending of 98 billion roubles (£98 billion) on the military. The bulk of the money was earmarked for arms procurement and research and development.

No explanation was offered for the high proportion geared to weapons given the trend towards arms reductions. Spending was described as being lower than in 1988, but no comparison was made with 1989 or 1990, suggesting that it represented a rise on the past two years.

This was subsequently supported by an analyst at the newspaper *Izvestia*, who wrote that the overall figure for defence spending, including sums earmarked from other budget categories would be 132 billion, a rise of 27.6 billion roubles on last year.

Unless discussion of the budget can be shipped in before the Soviet

Congress of People's Deputies opens on December 17, the Soviet Union is close to starting next year without any central budget. The congress is scheduled to run until December 27, but on past performance could last longer. However, the budget has been previously, it nonetheless provides spending guidelines for enterprises without which they will find it hard to operate.

The defence spending row came into the open after President Gorbachev on Tuesday reiterated his intention of making changes at the top of the Soviet military and it coincided with intense public controversy aroused by changes at the top in the interior ministry, which brought a professional military officer, General Boris Gromov, into what has always been seen as a civilian ministry.

In the past, the Soviet press refrained from comment on ministerial appointments. The changes at the interior ministry, however, have generated unprecedented interest and newspapers are busy introducing the new

minister, Boris Pugo, and his deputy, General Gromov, to a public which craves order but fears a crackdown.

The less reformist of the newspapers are propagating the virtues of both the "Borises", emphasising their sense of discipline, their patriotism and their desire to see order return to Soviet society.

The reformist press is bewailing the departure of Vadim Bakatin as interior minister, complimenting him on the speed with which he mastered his brief at the ministry and reflecting that two years was too short a time to implement the beneficial changes, especially in the police force, which he had envisaged. A commentary in *Moscow News* noted the sudden nature of Mr Bakatin's dismissal and gave a warning that "now we must await the witchhunt".

Others, including Nikolai Ryzhkov, the Soviet prime minister, and the Communist Party's reformist youth paper, *Komsomolskaya Pravda*, speculated that Mr Bakatin would be offered another senior government job.

# Tears greet German food parcel

From BRUCE CLARK IN MOSCOW

YELENA, frail as a sparrow and looking older than her 72 years, was struggling to read a book by putting one pair of spectacles on top of another when the shy young Red Cross nurse surprised her with a food parcel newly arrived from Germany.

The old woman cried uncontrollably, long before the 20 lb cardboard box of condensed milk, coffee, sugar, chocolate and other brightly wrapped capitalist goodies was opened, before even

understanding the significance of her health visitor's arrival accompanied by a foreigner.

Similar tears are likely to be shed by most of the sick and elderly recipients of the 6,000 food parcels that 16 German Red Cross workers, whose main jobs range from bureaucrat to masseur, brought to the Moscow Red Cross headquarters this week in a convoy of lorries.

These first parcels, and the 15,000 more which are to follow in

a few days, are no more than a drop in the ocean. But whatever prompted some well-fed Saxon to assemble Yelena's parcel, with an impossibly neat list of its contents, they need have no fear that their efforts have been wasted.

Nor, it seems, need donors, at least to the Red Cross, fear that their gifts will fall into the hands of the Moscow mafia, whose activities were described in detail this week by a Soviet weekly alongside a map showing which clan controlled which district.

Hand of hearing, nursing two broken ribs and terrified that she will go blind, Yelena is not particular to Soviet society. If anything, close family bonds mean that her kind of loneliness is somewhat rarer here than in many other industrial societies.

The local Red Cross organisation in one of Moscow's 33 districts, responsible for handing out the German gifts to sick and housebound people with whom their health visitors are in touch, chose Yelena at random for me to visit. Her one-roomed flat in a dilapidated block on the southern edge of Moscow is warm, dry and full of knick-knacks that testify to modern comfort when she worked as a chemist and her husband was alive.

But it takes little imagination to understand the effect on people like her of the worsening in the capital's food supplies, essentially reducing Muscovites to a diet of bread, milk, a few basic vegetables and whatever else they can use their connections and ingenuity to procure.

Yelena, and those like her, is simply too weak to stand in the cold in a long, jostling queue.

# Walesa urges 'Marshall aid' plan

From ROGER BOYES IN WARSAW

LECH Walesa, the Solidarity leader, yesterday urged the United States to organise a Marshall aid-style package for Poland and Eastern Europe to save democracy from popular unrest. The request was made at a meeting in Gdansk yesterday between Mr Walesa and the US defence secretary, Richard Cheney, who was paying his first official visit to Eastern Europe.

The talks with Mr Cheney, the presidential hopes of Mr Walesa who has been striving to present a statesman-like image before the final ballot on Sunday. The president of Poland is, in effect, the supreme commander of the armed forces and a number of key military decisions will have to be made in the first nine months of the new presidency. These include the accelerated withdrawal of Soviet troops from Poland and the dissolution of the military command of the Warsaw Pact.

"We need help quickly on the scale of the Marshall plan," Mr Walesa told Mr Cheney. "that is the only guarantee of a stable transition." Mr Cheney's brief, however, was rather more limited: to expand co-operation with Warsaw Pact countries by, for example, helping to train the future generation of Polish officers.

More concrete assistance seems unlikely until the end of the Gulf confrontation. Mr Cheney, echoing his recent testimony to the Senate armed forces committee, told reporters here that the US could not wait indefinitely for the United Nations embargo on Iraq to take effect.

To the great relief of the Polish foreign ministry Mr Cheney did not ask for a bigger contribution to the international force in the Gulf. Poland and Czechoslovakia are providing some medical support. Defence ministry sources say, however, that a large number of Poles and Czechoslovaks have been signing up with the French Foreign Legion's Gulf contingent.

Mr Cheney also emphasised that there was no plan at present to station American troops in Poland. There has been some concern in Warsaw about a security loophole emerging in 1992.

The Polish army is already operating on a strapped budget and is having to split its forces between the western and eastern borders, reflecting the new defence doctrine which no longer declares NATO to be the enemy. Soviet troops should be out of the country in a years time.

The Warsaw Pact will have disappeared as a military organisation at the latest by 1992. There has been some thinking in Washington and Warsaw, about whether a US contingent could help guarantee Poland's eastern border should the Soviet Union disintegrate. However, no official is ready to admit publicly that such a situation is being considered.

# Israel hints at action on Baghdad

From RICHARD OWEN IN JERUSALEM

SENIOR Israeli officials said yesterday that if talks between the United States and Iraq resulted in a compromise which failed to "remove the Iraqi military threat to the region" Israel would no longer feel bound by its undertaking to "keep a low profile".

The comments come on the eve of the visit to London and Washington by Yitzhak Shamir, the Israeli prime minister. Diplomats saw the comments as a thinly-veiled Israeli threat to take military action of its own against Iraq in the event of an "unacceptable" US-Iraqi deal. Officials said Israel feared such a deal could include the Palestinian question despite denials of a linkage.

Diplomats said John Major, who meets Mr Shamir today, was likely to urge the Israeli leader to stick to his low profile policy. The newspaper *Haaretz* reported that David Levy, Israel's foreign minister, had told William Brown, the US ambassador to Israel, that Israel's agreement to keep a low profile, in deference to Washington's desire to keep its anti-Iraqi alliance intact, was contingent on an American undertaking to "remove Saddam Hussein", not just force him out of Kuwait.

Mr Levy also told a visiting European Parliament delegation that if Israel felt in danger it would not hesitate to act because "if Saddam Hussein emerges victorious from the current confrontation there will be no end to his aggression". Mr Shamir told the MPs that President Saddam was developing a nuclear capability, and Israel took seriously his threat that it would be the first target of an Iraqi missile attack.

Diplomats said Mr Levy's reference to an American undertaking to remove the Iraqi military threat altogether was puzzling. They said that in sending troops to



Levy: told America that Saddam must be removed

the Gulf, President Bush had formulated only three aims: the withdrawal of Iraqi troops from Kuwait, the restoration of the Emir, and the release of all Western hostages. Asked if America had indicated that it had the further aim of destroying the regime in Baghdad, Israeli officials said: "There may have been understandings". Last weekend, Mr Levy said he accepted American assurances over its approach to Baghdad, but right-wing MPs said they feared that Israel would "pay the price" of a US-Iraqi deal.

Mr Shamir's visit, the first by a foreign leader since he became prime minister, will give Mr Major a first-hand opportunity to grapple with Middle East issues as he prepares to visit British troops in the Gulf next month.

Israel regards Mr Major with some reserve because of his frosty encounter at the United Nations in October last year with Moshe Arens, the then Israeli foreign minister. Israeli diplomats said Mr Major, then foreign secretary had accused Israel of "expansionism" in Lebanon and described Mr Arens' account of Israeli actions in the occupied West Bank as "an explanation, not a defence". Mr Arens retorted that Mr Major was not a judge in a court of law and Israel had no need to defend itself.

While Anglo-Israeli relations have since improved, Mr Shamir's talks in both London and Washington will be dominated by Western pressure on Israel to inject new life into the peace process as the third anniversary of *intifada* or Palestinian uprising approaches this weekend. But Israeli policy makers are preoccupied with the Iraqi threat.

# New Berlin mayor to set sights on wresting power from Bonn

From ANNE McELVOY IN BERLIN

EBERHARD Diepgen, Berlin's new ruling mayor-to-be, is the picture of smooth contentment and if his demeanour bespeaks a smidgeon of smugness, it is not without good cause.

Although still ensconced in the uninspiring rooms of the town hall's Christian Democrat faction, his position as head of the largest ruling party assures him of the title of mayor at the most promising time in the city's post-war history when its parliament reconvenes next month. In the new year he will make the symbolic move from the Schöneberg town hall in the west back to the imposing red town hall in east Berlin, traditional home of the ruling mayor until the communists took it over.

With Sunday's surprise 10 per

cent victory for his CDU above Walter Momper's Social Democrats he has regained the post he lost in March last year to the ill-fated red-green coalition. It is a margin wide enough to relegate Herr Momper to the role of second fiddle in the resulting grand coalition and re-establishes Herr Diepgen in the CDU firmament.

This was the best result his party has had in west Berlin — nearly 49 per cent in the city which used to call itself Red Berlin. In the east, the party gained 7 per cent on its March result.

His prime task now is to breathe life into the sagging campaign to wrest the seat of government from Bonn without annoying his own party in the process. Helmut Kohl, the chancellor, privately admits

that he is for a transfer of power to Berlin, but is anxious to limit the damage to the Rhineland.

While Herr Momper, launching the campaign for Berlin's pre-eminence with gusto, shot himself deeply in the foot by emphasising the benefits of the transfer for Berliners but neglecting to mention the effects on everyone else, Herr Diepgen's tone is more conciliatory. "My campaign will be more sensitive, more European," he said. "German unification is not an isolated phenomenon, but a product of Europe growing together. Ask yourself where the east-west axis lies and you find it here, not Bonn."

Berlin's role as east-west axis is a mixed blessing. Already the central station is packed with

eastern immigrants and Berlin is likely to be one of the most popular destinations for the influx of disillusioned and hungry Soviets expected to migrate next year. Dealing with the consequences will be the Berlin government's toughest test and one which both parties preferred to ignore in the election campaign. "Don't expect Berlin to solve all the problems of 40 years of communism. Yes, there will have to be immigration barriers here, otherwise we will be swamped," Herr Diepgen says.

Herr Diepgen is not afraid to use the rhetoric of the right: his campaign was fought on promises of ousting the "chaotic elements" of the red-green alliance. He represents the change of style and substance Berliners think nec-

essary if the unwieldy metropolis is to bid for the job as Germany's first city. Herr Momper was a mischievous, often vulgar populist who often opened his mouth and thought about it later. (When the Wall fell he upbraided the right for "waffling about unification"). Herr Diepgen is a silky lawyer who skillfully evades unwelcome questions and brazenly out-uncertainties with ease.

He says that the government should move to Berlin "as soon as possible" but does not intend to bully Bonn by issuing an ultimatum. Well, only very gently, perhaps. "I would be very disappointed if in five years time there was anything other than the details of fine tuning left to discuss on the matter," he said.









## Unlocking Gatt negotiations

Some canards about property taxes need shooting down. The poll tax has not enlarged the number of households liable for local taxes and so has not widened accountability. The extra numbers on the register are almost entirely spouses (who rarely pay separately) and council tenants whose rates are usually subsumed in rents. There is nothing to prevent councils, or housing associations, invoicing tenants separately for their rates and there is a strong case for their being made to do so in future. The poll tax, by falling harder on the poor, means more rebates — six million this year — and thus reduces, rather than increases, accountability.

Many reforms are needed in local government. All are urgent. All require, as a first step, the slaying of the poll tax dragon. Mr Heseltine should unsheath his sword forthwith.

What is truly a political challenge has rightly been thrown back to the politicians, rather than left to the courts. The Workers' party's

have least to lose from a continuation of the status quo, to the negotiating table. If a sufficient number of Unionists can be convinced that the Irish government will not — even given the chance — override their interests, the will to achieve a lasting settlement may not be lacking.

Both the subsidised and commercial are prepared to stage new plays. The latest *Cultural Trends*, to be published next week by the Policy Studies Institute, finds that modern

But the indications are the downturn will only be cyclical. At its core, British theatre has the resilience to see out a recession. Unlike Broadway, there is a creative and financial cross-over between public and private sectors. Co-productions between subsidised and commercial theatres are now routine, while successful subsidised productions move to the West End. The mixed economy in British theatre should run and run. There is no shortage of audience for a good play, well acted and directed. The play is the thing.

It is vital that at EC level Britain should make it crystal clear that, if we can move in the direction of supporting farmers while reducing support for products, and that we can thus unlock the GATT negotiations.

Yours faithfully,  
**CHRISTOPHER JACKSON,**  
8 Wellmead Drive,  
Sevenoaks, Kent.  
December 4.

That Lee achieved remarkable things cannot be gainsaid, but Singapore was not exactly a banana republic.

Yours faithfully,  
**BRYAN CLARK (Bursar).**  
Rossall School,  
Fleerwood, Lancashire.

The selection process was carried out in complete accord with the rule book: if a candidate obtained more than 50 per cent of the votes of the executive committee of the local association, no other candidate could be offered to the adoption meeting. For a black candidate to win from a total

1. together with other members of the Bruges Group who are strong supporters of a more united Europe, believe that the determined efforts of Commissioners, MEPs and national politicians seeking to restrict the successful completion of a truly common market by the re-establishment of discredited protectionist and corporatist forms of regulation, should be resisted. We think that there is strong support for this view in the continental countries, as the recent European conference organised by the Bruges Group made evident).

**Prison visits**  
*From Mr Terry Brown*  
Sir, Your report (November 27) concerning "longer child visits for jailed women" does not mention jailed fathers. Children need their fathers just as much as they need their mothers.

Yours faithfully,  
**TERRY BROWN,**  
A Wing, HM Prison,  
200 Oystermouth Road,  
Swansea, West Glamorgan.  
November 27.

Yours sincerely,  
E. S. BROADWAY,  
3 Thornley Drive,  
Ipswich, Suffolk.  
December 2.

Yours faithfully,  
**ROBERT WILSON,**  
 The Old Sudeley Arms,  
 21 Hailes Street, Winchcombe,  
 Cheltenham, Gloucestershire.  
 December 4.

I hope that the Cheltenham Conservatives will not think me churlish if I express the hope that their party will not receive the support or vote of one of their

The labour force is now in unions. Attempts by the Commissioner for Social Affairs to offset this decline in union membership by giving them a more powerful industrial and political role at the European level will impose unnecessary burdens on employers, and do nothing to reduce unemployment, increase productivity or lower inflation.

The thrust of Mrs Papandreu's policies are not only likely to undermine European competitiveness,

**Letters to the editor should carry a daytime telephone number. They may be sent to a fax number — (871) 782 5046.**

After 40 years of Cold War the people of Eastern Europe may just be on the threshold of achieving democratic governments. We should settle for a "long haul" and try to achieve the same in the Middle East.

Yours faithfully,  
H. WEISL,  
10 Greenlawns,  
Penylan, Cardiff.  
November 30.

Secondly, although compulsory regulation was first introduced in some areas in 1937, it has been subsequently introduced throughout the country area by area. For

Yours faithfully,  
**HUGH N. PARSONS.**  
 Humphreys & Parsons (Solicitors),  
 Cambrian Chambers,  
 Cambrian Place,  
 Aberystwyth, Dyfed.  
 December 4.

*From Mr J. C. E. Murray*  
Sir, The Conservative central office would appear quite prepared to hand over a previously safe Tory seat to the Liberal

Yours faithfully,  
J. C. E. MURRAY,  
62 Tonbridge Road,  
Maidstone, Kent.  
December 4.

within the context of their differing social systems and economic circumstances. They avoid the dangers of distortions that would inevitably accompany attempts by the Commission to bring about uniform social and industrial relations systems through legally enforced directives.

The most sensible and practical policy the Commission could follow would be to encourage support for these tried and tested instruments instead of trying to

supersede them in pursuit of  
ideological goals.  
Yours faithfully,  
B. C. ROBERTS.  
28 Temple Fortune Lane, NW11.

Yours,  
NORA BELOFF,  
11 Belsize Road, NW6.  
December 3.

alternative sources?  
Yours faithfully,  
DAVID GOODENDAY.  
Bunkers Dip.  
Neville Drive, N2.  
December 3

Yours faithfully,  
JEFFERY MATTHEWS,  
46 Kings Hall Road,  
Beckenham, Kent.

**Wanted: organists**  
*From Mrs Ann Longmuir*

**Beyond recall?**  
*From Mrs W. A. Higgins*

Yours sincerely,  
WINIFRED A. HIGGINS,  
10 Alexandra Court,  
Gardens Road,  
Clevedon, Avon.

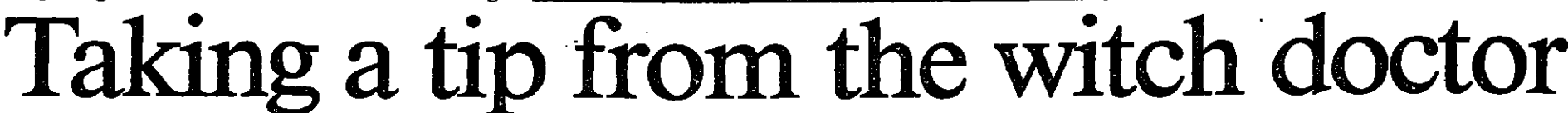










**LESLIE TILLEY**

## **Snake venom holds a key to developing super drugs for controlling nervous system disorders such as epilepsy. Malcolm Brown explains**

The gas is believed to cause 2,500 lung cancer deaths a year, and scientists at Bristol University say it could also be implicated in 1,800 leukemias, kidney and spine cancer cases. Removing the gas from

However, the builder in fans and p disadvantages on at all times. "That is investigate passively."

Why I decided to eliminate radon he says. "If the gas

problem, Mr. [illegible] an impen-  
[illegible] and ob-  
[illegible] Office  
[illegible] to manufac-

**IOLA SMITH**

Mr Winter is embarking on

field trials and plans to go into full-scale tile manufacture next year. He is seeking properties in high-radon areas where Bristol university

**IOLA SMITH**

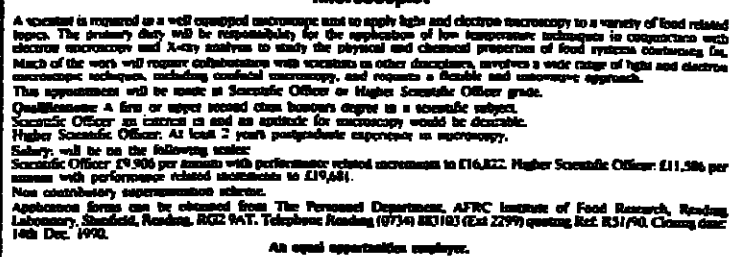
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# Daily journey to the centre of the Earth

A Jules Verne-style solution to the pressing expansion difficulties of some of the world's most densely built-up cities is set to be unveiled.

Faced with dwindling open spaces, mounting environmental concerns and soaring land prices, British engineers are working with construction companies and government departments on plans for developments deep below the surface.

In the near future, workers in cities such as Tokyo may be descending by super lifts into a cavernous world of office blocks, leisure complexes and vast shopping arcades hundreds and even thousands of feet below the surface.

Natural light, piped in from above by a network of optic fibres or by an array of vast rotating, reflecting mirrors on the surface, will allow designers to create gardens of soothing plants populated with birds and other animals. Some commuters may also

**An underground world of offices and shops is planned to ease overcrowding in the great cities, Nick Nuttall reports**

go to work on roads which run into the ground or on deep underground railways. Throughout the complex of offices, sports centres, hotels, theatres and shops, visitors and workers will be able to view reassuring images of the surface displayed on giant, high-definition television screens.

In Scandinavia, schemes are being suggested for Helsinki and Stockholm. More modest schemes could be drafted for other European cities, including London, experts believe.

Already, a tiny underworld has been taking shape unnoticed in the City of London, where the basements of office blocks are being built to depths of 100 feet.

Phillip Blacker, a British civil engineer and managing

director of Fugro Hong Kong, has completed designs for what could be the first of the subterranean projects to be approved.

The Cavern Project calls for the development of a hill on Hong Kong island with flats on the surface and, 120 feet below, community centres and super stores.

Cars entering the cavern at road level will spiral down into car parks. There will also be access to the interior from the surface via lifts.

Mr Blacker says that to make such underworlds psychologically attractive to workers and shoppers, excellent fire-fighting systems, lighting techniques and exits must be installed, as well as areas set aside for greenery.

The most advanced

schemes are, however, being planned for Tokyo. More than 30 committees, formed from government departments, industry, professional bodies and universities, have been set up to consider how best to develop "inner space".

According to Dr Ray Sterling, a British-born graduate of Sheffield university and director of the Underground Space Center at Minnesota university, Minneapolis, developing a subterranean metropolis poses few technical difficulties.

Dr Sterling, whose mainly British-born team are about to publish findings of a study on behalf of the Shimizu Corporation of Japan's Geo Grid scheme, says deep mining operations in countries such as South Africa and India may go as far down as 10,000 to 15,000 ft.

"As Japan develops, it sees three options: the ocean, space or underground. Land now accounts for between 98 and 99 per cent of the costs of a project on the land in Tokyo. So they can afford to pay the construction costs if you go underground," Dr Sterling says.

The £40 billion Shimizu plan would cover 2,000 square miles below Tokyo, to a depth the equivalent of a ten-storey office block. A rail network with stops every mile would run into commercial developments, and vast atriums, down which daylight would filter, would provide natural light.

The more futuristic plan, called Alice City, after the Lewis Carroll character, is being proposed by the Taisei Corporation. Dr Sterling says that any initial fears his staff had about working underground soon faded after a few weeks at his Underground Space Centre, which is sited around 100 feet below Minneapolis.

"Most people would prefer an office with a nice view, but in reality in most big offices on the surface this is now not always available," he says.

But the main obstacle to Britain developing its cities underground is the cost of construction versus the relatively lower land prices. A sharp rise could change that.



The Earth is the size of this dot compared with the 300,000 mile flare

Flare-up: changing activity in the Sun could lead to a mini-ice age altering predictions of the greenhouse effect

## Now ice age freezes out global warming

YEARS of harsh winters and cool summers could be on the way, according to new research — a far cry from the global warming predicted on the basis of carbon dioxide emissions and the "greenhouse effect".

Two researchers from the United States think that long-term changes in the Sun's brightness will affect the climate.

Although the Sun's brightness is known to vary slightly over the 11-year sunspot cycle, there are times when this cycle is itself disrupted. In the 17th century, the sunspot cycle virtually disappeared, coinciding with a sharp drop in

temperature lasting several decades, known today as the "little ice age".

In today's *Nature* magazine Dr Sallie Baliunas of the Harvard-Smithsonian Center for Astrophysics, and Dr Robert Jastrow of Dartmouth College in New Hampshire, show that changes like this happen quite often. The Earth could experience another "little ice age" within the next two centuries. This is more

than just a scientific issue — some politicians in the United States have used the possibility of Sun-driven climate change to ask for more research before taking action to curb greenhouse gases.

The Sun's brightness varies by about a tenth of 1 per cent over the course of an 11-year sunspot cycle. According to computer estimates, this would alter the Earth's temperature by about a tenth of a

degree Celsius. This is small compared with the changes of a degree or more that computer models predict could be caused by a doubling of the carbon dioxide content of the Earth's atmosphere. Dr Baliunas and Dr Jastrow base their study on 20 years of observations of more than 50 nearby Sun-like stars.

If the Sun's brightness changes by something more than the one-tenth of 1 per cent that characterises the regular solar cycle, then researchers may have another ingredient for climate prediction.

DAVID LINDLEY

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## Roll up for a multimedia show

Personal computers and terminals that can display only text or simple graphics could soon be obsolete. Multimedia is the current buzz word of the

industry, and describes the combination of television and computing that manufacturers are working to produce cheaply enough for the consumer market.

The use of such machines to handle moving video, animation and photographic print-quality pictures plus stereo sound has been constrained by high costs and a lack of standard formats.

Last week, however, eight large manufacturers agreed to produce personal computers specially designed to run multimedia programs, using a common format being developed by Microsoft.

The announcement should be a spur for equipment manufacturers — reluctant to

Computers that mix video, graphics and text are round the corner

develop the new type of machines without a large range of software to run on them — and program developers, themselves cautious about having to produce different versions of software for multimedia systems that are not based on a common format.

The sharply falling costs of both the computer memory chips for such systems and the specially adapted compact disc players, or CD-Roms, frequently used to store the information are also providing a boost.

Those companies agreeing to use the multimedia version of Microsoft's Windows operating system include Tandy, AT&T, Fujitsu and Olivetti. It could result in the first mass

market system becoming available next summer for as little as £1,500.

IBM says it will co-operate with Microsoft in making changes to personal computer operating systems to add multimedia features.

Unlike today's video recordings, the moving pictures are stored digitally, so that they can be edited and stored in the same way as text, and enlarged or cropped, or the composition altered for the most mundane applications.

Such facilities have so far been limited to specialist use, for example in video-based training systems, partly because of the huge amount of computer memory required to incorporate video into a computer.

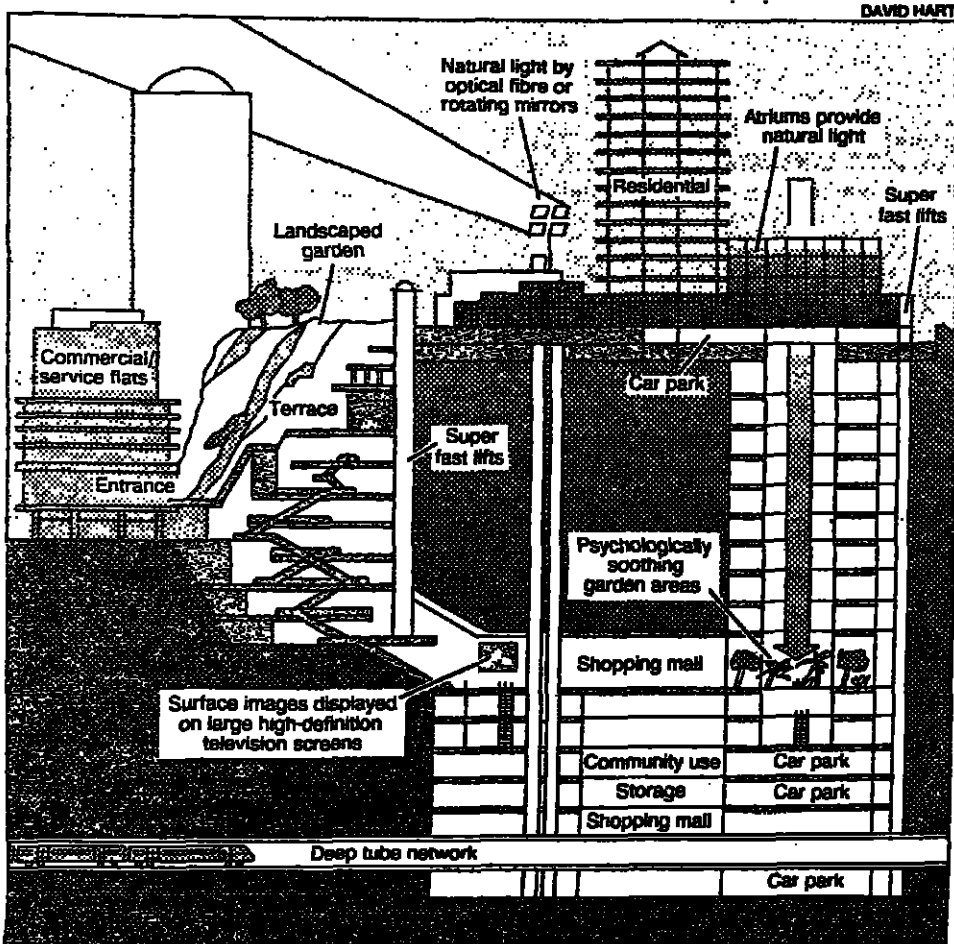
Last month Intel announced a new set of cheap and powerful computer chips which it says will enable multimedia facilities to be added to personal computers for less than £600.

"The technology allows people to manipulate easily pictures, words, music, video and sound on a computer," says Dave House, the president of an Intel division.

The technology will be useful in education and training in which video clips, sound and computer text are mixed. Other customers could include estate agents, who would be able to show prospective buyers lists of properties accompanied by video clips.

Manufacturers envisage the systems being useful for travel agents. Would-be travellers could use a computer to show video examples of destinations.

MATTHEW MAY



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## MEDICAL BRIEFING Dr Thomas Stuttford

Hope has come to the five million Britons who suffer from atopic eczema, not from white-coated scientists working in a western pharmaceutical laboratory, but from the application of centuries-old knowledge of Chinese herbs which has been brought to Britain by a Chinese herbal practitioner working in central London. A letter to the *staid* and respected journal, *The Lancet*, from doctors working at the Great Ormond Street, Royal Free, King's College, University College and Middlesex hospitals, describes the results of a study which has analysed the effects of Chinese herbal treatment on patients who had previously had traditional western remedies. The doctors have summarised their preliminary results by saying that the herbal infusions may

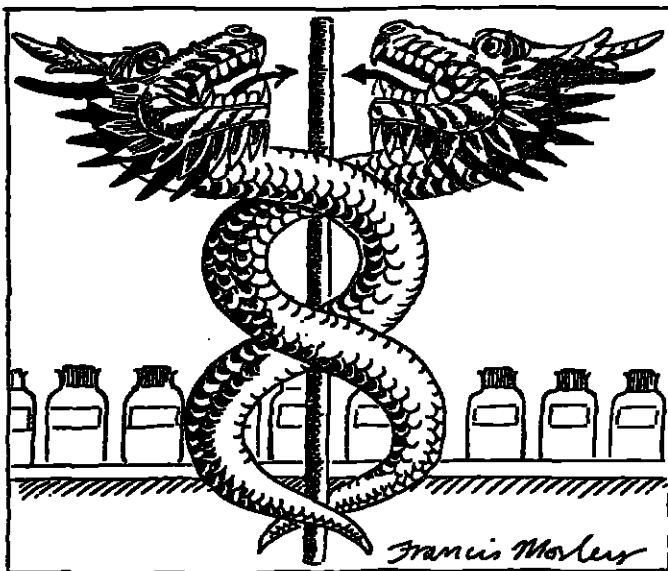
## Ancient art for eczema

provide "an exciting treatment", but advise caution until the findings (expected in July 1991) of a double-blind controlled trial assist a formal verdict. The dermatologists' optimism stemmed from the observation that the Chinese practitioner was achieving better results than they were by using an infusion made from various dried plants. The exact composition varied as it was individually tailored for

each patient. More than a hundred adults and children whom he treated with herbs showed a marked improvement; in 80 to 90 per cent of the cases this improvement was greater than that obtained by relying on standard medicine. In the past some European herbal mixtures have proved to be toxic, but extensive biochemical studies have failed to find any adverse side effects after the use of a standardised Chinese herbal preparation prepared under the guidance of the Chinese practitioner.

The use of Chinese herbs also compares favourably with acupuncture, Dr Alexander Macdonald, who practises acupuncture as a supplement to traditional medicine in London and Bristol, writes that the symptoms of eczema may be relieved for a time in about 50 per cent of cases, but, apparently, even when there is a response, the inflammation tends to remain unaltered, even though the irritation is eased.

Whatever the specific treatment used to treat eczema, general measures remain the same. The skin should be moistened by the use of emollients; trigger factors, whether they be detergents or the neighbour's cat, must be avoided; skin infections should be treated immediately, and emotional stress avoided. Steroid applications of a suitable strength may be needed to control outbreaks. Anti-histamines provide some, but not much, relief from the irritation. (Patients can obtain information on eczema, including the Chinese herbal studies, from the National Eczema Society, 071-388 4097).



## Take a deeper breath

Last week at a City dinner it was sad to watch the arrogant self-assurance ebb away from a pinstriped banker after he had had to reveal a weakness by publicly using his Ventolin inhaler. For some reason there is a stigma attached to asthma, but neither the banker nor anyone else should worry about their self-esteem, for 1.7 million other British people have the same problem. Six per cent of children and 7 per cent of adults suffer from asthma. More than 2,000 people die from it annually, and the death rate is rising. Asthma attacks wake 79 per cent of patients at least once a week and 40 per cent nightly, and only 6 per cent have uninterrupted sleep. Inevitably their work and leisure activities next day are affected. Exercise tolerance is reduced, and even the pleasure of drinking wine may have to be sacrificed.

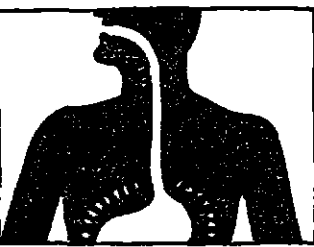
Symptoms of asthma can be controlled in two ways: by inhaling anti-inflammatory steroids (Beclonide is the market leader), which prevent the swelling within the bronchial tubes that leads to spasm in the bronchial muscles in an attack, and by the use of Beta 2 agonists, of which Ventolin is the best known. These inhalers provide fast first-aid treatment, but only attack the symptoms and not the cause. This week a third force has been mobilised. Glaxo has introduced a new Beta 2 agonist for inhalation, Servent (salmeterol hydroxyphosphate), which both relaxes bron-

chial muscle for a much longer time than Ventolin, and inhibits inflammation in the bronchial tubes. The new preparation does not replace other drug treatments, but taken as prevention twice a day it should give 24-hour relief of symptoms. For the time being, Servent should be prescribed only for adults.



## Damage in the gut

The human gut takes a constant battering. From the mouth to the rectum it is assaulted by sharp particles of food, ranging from small pieces of bone and the occasional fruit stone to the rough husks of back-to-nature cereals. It is subjected to acid and alkaline foods, irritant chemicals, digestive juices and hot and cold fluids, but despite all this, ulcers (patches of inflammation) are rare; even when one does occur, healing is usually rapid. Patients taking non-steroidal anti-inflammatory drugs, the large and very useful group of medicines used to treat rheumatic diseases, are an exception to this rule; ul-



ceration in this group is common, and the ulcers, once formed, are slow to heal. It was thought that the dissolving tablet eroded the epithelial lining of the gut, but recent research has shown that probably the principal cause of trouble is that the tiny injuries to the epithelium fail to heal as quickly in these patients. Epithelial proliferation is inhibited by the anti-rheumatic pills, which have an effect on the production of prostaglandins, the very property of the pills which eases the rheumatic pains can also damage the gut.

A recent report in *The Lancet* from the Hammersmith hospital says research workers have shown that the inhibiting effect of the anti-inflammatory drugs on gastric epithelium proliferation and repair can be reversed by taking Cytotec (misoprostol). The prescription of Cytotec should always be considered for patients, particularly the elderly, if they have to have long-term anti-rheumatic treatment.



Disaster and survival: a deeply shocked passenger from the double air crash at Detroit on Monday and (inset) one of the blazing planes

## The shocking truths of human survival

Why can soldiers fight on in the heat of battle even when they are terribly injured and why can good news send us into shock? Liz Gill looks at a mysterious syndrome

Dr Peter Baskett, the president of the Association of Anaesthetists, likes to quote the 16th century *Ballad of Chevy Chase* as an illustration of what the human body can be capable of. "For when his legs were smitten off/he fought upon his stumps."

The image, he says, is not that far-fetched. "You get the most astonishing things happening in the heat of battle. There have been cases of men with really major wounds appearing not to notice them."

Such phenomena may be the result of the surge of adrenalin and similar substances which the body releases in response to pain, fear or excitement, to prepare itself for flight or fight.

"It seems to be a primitive reaction to keep the body going until it can get out of danger," Dr Baskett says. "The adrenalin causes the blood vessels to constrict. The idea is to stop blood loss by turning down the tap. The design flaw is that the taps are turned down everywhere and not just in one place."

Dr Baskett, a consultant at Frenchay hospital in Bristol, is an expert in hypovolaemic shock, which is brought on by low blood volume, most commonly caused by excessive bleeding from an injury. "The tissues don't get enough blood and, therefore, don't get enough oxygen," he says. "The patient is pale, and has a high pulse rate and low blood pressure."

The brain is one of the first organs to feel the effect, and you can get strange behaviour which is sometimes mistakenly put down to alcohol. Patients may be aggressive and combative and try to push away anyone who tries to help. They then become confused and progressively drowsy before becoming unconscious. If the blood loss is very heavy this can all happen within minutes, even seconds.

Paramedics now carry blood substitutes which give intravenously to "bulk up" the blood sufficiently to enable it to carry some oxygen around the body until a proper transfusion can be arranged.

There seems to be almost as much mythology as medical knowledge surrounding the subject of physical shock and who

survives it. A robust constitution and physical fitness would affect one's chances, Dr Baskett says. The issues of willpower or personal courage are more cloudy. "I believe, though, that it is vital to give the injured reassurance, to hold their hands, to tell them help is coming. Being soothing and kind may even affect the production of the body's natural pain relievers," he says.

There are many stories about drink and drugs protecting a sufferer from the worst effects of injury, but such claims are usually unfounded, Dr Baskett says. "Being drunk or drugged simply makes you incompetent and therefore more likely to be injured in the first place."

Emotional shock caused by witnessing a terrible accident or receiving bad news—or even dramatic and unexpected good news, such as a pools win—can make a victim faint. Dr Andrew Marsden, an accident and emergency consultant at Pinderfield Hospital in Wakefield, West Yorkshire, and the deputy chief medical officer to the St John Ambulance Brigade, says that such an incident can trigger a reaction in the nervous system which, in turn, affects the heart and circulation. In extreme cases the heart may stop.

How best to break bad news is something doctors must consider constantly. Dr Marsden does not like giving tranquillisers to the bereaved or distressed. "You are only delaying the reaction, you are not treating the cause, and suppressing emotion is not helpful. As we learn more about grief we are using sedation less."

Although reports of accidents and disasters often describe vic-

tims being treated in hospital for shock, such people are usually given simply comfort, Dr Marsden says. In the longer term, however, the problems of shock might be quite severe. Dr Gary Jackson, a research psychiatrist at the stress clinic at the Middlesex hospital in London, says they arise when our usual coping strategies have been overwhelmed. "You don't have to be physically injured to suffer psychiatric consequences."

Such consequences include recurrent "flashbacks", mood swings, anger and despair, avoiding situations that might bring back memories, and the development of hyper-alertness where disaster is anticipated at every turn.

There has been interest since the middle of the last century in the ways in which the syndrome affects both soldiers and civilians.

"Interest grew as the railways developed, and there were lots of crashes," Dr Jackson says. "In fact, Charles Dickens described in his correspondence how he felt after he had been involved in a train crash. During the first world war people used the term 'shell shock'."

Now it is termed post-traumatic stress disorder and Dr Jackson has seen it in victims of "personal" disasters, such as car accidents or domestic fires, as well in the survivors of Lockerbie, Clapham and Zeebrugge. "Some of the bereaved relatives in the Lockerbie plane disaster were in a worse state than some survivors," he says. Personality may be important. "The hardy personality may fare better than the worrier, the extrovert who is able to talk about his or her feelings better

than the introvert, and there is the suggestion that women, the elderly and children are more vulnerable. "Training may help you cope but, none the less, it is known that rescue workers, for instance, are often overwhelmed and have to be taken care of themselves. Anyone subject to enough stress will develop problems. There is a threshold for all of us."

A classic symptom of shock is dissociation, in which the patient appears to be in a daze. "What the brain is doing is cutting off, keeping the experience down to what you can cope with as a way of holding on to your sanity," Dr Jackson says. "It is rare for it to become chronic. In most cases it lasts only a short time."

Dr Michael Kopelman, a consultant psychiatrist at St Thomas's hospital in London, who has worked with victims of the Zeebrugge ferry disaster, says that symptoms often include loss of memory, concentration and interest in life. "Another problem is that people often feel guilty that they have been saved when others have died."

Patients are usually offered a variety of approaches: counselling, either individually or in groups, behavioural therapies and medication. There are cases where physical and emotional shock overlap. Dr Gary Bell, the senior lecturer in psychiatry at St Bartholomew's hospital, London, has just started a study of 100 patients who were hurt in road traffic and other accidents, particularly those who suffered head injuries. He believes a huge hidden pool of psychiatric problems remain even when the physical hurt has mended.

Factors he will examine include whether people were conscious throughout their ordeal, the degree of pain; whether they thought they were going to die; whether anyone else was killed; and the subsequent length of stay in hospital.

Not all shock has adverse consequences. Some people find that an accident, with all its reminders of human frailty and vulnerability, gives them a new sense of precaution, a new order of priorities. "There are those," Dr Bell says, "who find it a powerful positive experience and use it to get their life in order."

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ABOUT five years ago I did a movie called *The Sicilian* in which I chose to put on 38lb to play a godfather. It was a stupid idea really but it helped me at the time. It was easy enough getting rid of it, but the trouble is, once you open those old valves, they are hungry for the fat.

Since then I've had a problem keeping the weight down and I'm now about a stone overweight—I've gone down to 14st 9lb from 15st, but I should be 13st.

For many years I have had a hiatus hernia. Nothing serious, but it's like the understudy to an ulcer, always ready to go on. I read a book many years ago called *How I Cured My Duodenal Ulcer*; it took the author 30 years, with his own particular diet. Since then we've stuck to this diet, and I have had no problems with it at all. It means that you eat well and sensibly. I can't have anything fried, and I can't take onions, which is a curse because I love them, but I can take garlic which I adore. I can't eat melon; I can eat tomatoes.

We are inclined to stick to organic foods. When I go out to dinner I don't say I only eat organic, but we certainly choose to eat that way because it is healthier and tastes so much better. Theoretically I would love to be a vegetarian, but I'm afraid I am

## BREATHING SPACE

Joss Ackland

## Life with relish

such a lover of meat and fish that there's no way I could do it.

At home I'm a little kinky on the breakfast front. I have either a bit of feta cheese or gruyere with black olives, a bit of thin toast, and cappuccino coffee. I'm a coffee snob, I only really like good proper coffee, Italian.

I DO all the shopping. I love it. My wife does the cooking. I have just this minute come back from Camisa in Old Compton Street, where I go pretty well every day. I've bought some sandanale—a sort of parma ham, but lighter and more delicate. We get our olives there, cheese and bread. The bread you get in this country really is a joke. Sadly I don't think the English have changed all that



much in their approach to food. The microwave is a sin and an abomination. Having a delicate stomach, all I know is that every time I have eaten food that's been microwaved I have been sick afterwards. I think it is such a vulgar way to approach food.

For lunch we might have a bit of grilled trout—a lovely fish—or salmon or halibut. We don't cook with butter, we use good olive oil and a lot of fresh herbs. For a treat we'll have chanterelles cooked in garlic and oil, they're wonderful. We would have that with little Jersey potatoes, beans, sprouts, broccoli, whatever's going.

I have a weakness for puddings and ice cream—it's something that happens with age. There are a couple of pâtisseries we go to that

do wonderful apple tarts, but if one is very good one just has fruit. I like and respect food. I think if one likes sex, one likes food, it all goes together, you relish it.

Wine is part of life. I'm very proud of myself for not drinking at lunchtime, but not to have wine with a meal in the evening—I wouldn't be very happy at all. Because of the diet a bottle will last my wife and me a couple of days. I have got one of those static bicycles which I don't really understand, because you don't get anywhere. I am such an energetic person, I'm always working at something non-stop, and having an enormous family I'm busy all the time, so I do expend a lot of energy. I think a good exercise is breathing in and out.

Interview by Pamela Nowicka

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مكثا من الأصل

# After three decades, Emily speaks up

The lives of the stars of *Coronation Street* are recorded, shelf by shelf, in libraries of newspaper cuttings. Love, rumours, rows, reconciliations and the occasional black eye, they are all there. In among this catalogue of somewhat shabby glamour, Eileen Derbyshire merits only two slim sheets of bland waffle.

For 30 years she has been the most enduringly popular actress in the world's most successful television soap. But since her first appearance on December 26, 1960, she has never given a full-length interview. She avoids personal appearances. In the world of the soaps, she is a Garbo.

Ms Derbyshire plays the prim Emily Bishop in *Coronation Street*, which on Sunday celebrates 30 years of blending realism, humour and hokum so adroitly that 23 million people watch it regularly. Although the more outrageous characters, waspish old wives and barmaids with hearts of gold beneath their D cups grab the attention, it is little Emily, with that heart-breaking look of troubled sincerity, who stands at the heart of the programme. Only William Roache (Ken Barlow) has been appearing longer.

In rust-coloured velvet track suit and heavy check jacket, and with her hair in a honey blonde bob, she looks very much a part of the smart country set in Cheshire where she lives. She goes to some lengths to distance herself from the character. "I hang the wig on a hook and leave Emily behind," she says. Yet, once she begins to talk, you hear the same gentle reticence that is so much a part of Emily Bishop's character. Inevitably, after three decades, fiction and

## Colin Dunne meets the quiet woman from the heart of *Coronation Street*

reality overlap. "She is very reserved and so am I. She is also very respectable, and although I hate to admit it, I am, too."

Indeed she is. At the age of 59, she lives with her husband Tom, a retired engineer, in a sprawling country cottage. Their son Oliver, aged 24, is a trainee journalist in Liverpool. The couple share a passion for the arts: opera, concerts, literature, and holidays in Vienna or Venice. They do not watch soaps.

From being the sort of little girl who liked reciting poems and singing round the piano ("I must have been a nauseating child") Ms Derbyshire became an actress, and worked in rep and radio before being called for a try-out television programme. She joined the show for one week. If they needed her again, she promised to go back. She now thinks that if she had known as a young woman she was entering a 30-year commitment, she would have refused. As it worked out, it fitted neatly with her domestic life and she has no regrets.

"I've never been ambitious. Horribly dull, aren't I?" Off screen she counts herself lucky in her husband and son. On screen, Emily has seen a good deal more action. She jilted one man on her wedding day, married another who was subsequently shot dead, and yet another who turned out to be a bigamist. Ms Derbyshire's pale blue eyes grow wide with something between shock and pride as she says that Emily has had at least eight love affairs.

For all her own efforts to separate fact from fiction, she is perplexed by the way the viewers make no such distinction. She learnt long ago to avoid places where she would be recognised. "I'm delighted people enjoy it but sometimes they grab you and try to drag you off to meet their friends. It's strange, but they also speak to me as though I am Emily — they apologise if they swear and, if they offer me a drink, it's always a sweet sherry."

Sometimes, the confusion can become distressing. When her screen husband died she had many moving and painful letters from widows, which she found almost impossible to answer. Because people tend to see Emily as a sympathetic person, they also write to her about their troubles and to seek her advice.

Ms Derbyshire says that this shows what a tremendous amount of loneliness there is, when people are driven to write to strangers. But she is forgetting the potent illusion

of television. To them she is no stranger; for three decades she has been a welcome visitor in their homes.

She resists the star label and the life that goes with it. This is one of the reasons she refused to make lucrative personal appearances opening pubs or supermarkets at a minimum of £1,000 a time.

"I was once going through a Welsh mining village in an open Rolls, and they were carrying invalids to the door so they could see me and people were hanging out of windows to wave. That can be very heady stuff, and I think it can be dangerous, too. I'm glad I have a solid background and my feet firmly on the ground."

Ms Derbyshire is fond of her on-screen sister. She would quite like her as a neighbour or a colleague but thinks she would find her a little too boring for, say, a holiday companion. "She doesn't have a very good sense of humour," she says, a little reluctantly, for she does not like to criticise Emily.

With the interview at last over, she hurried off. She will be quite happy to emerge, she says, in another 30 years.



The gentle touch: Eileen Derbyshire says "people speak to me as though I am Emily — they apologise if they swear"

## Selling fruits of Gardner's life

Jewellery belonging to a film legend and a rich recluse goes under the hammer

BOND Street, with its Bulgari and Boucheron, has never been a bargain basement for hunters of gewgaws and gimcracks. Next Monday Sotheby's will be selling nearly 350 lots of designer bijouterie, much of it by the most famous names. The interest of the jewellery world will be keener than usual because of the other famous names involved. The jewels to be sold belonged to "the world's most beautiful animal", as Ava Gardner was once described by the Hollywood publicity machine, and to the mysterious millionaire, Dorothea Allen.

Both women died earlier this year. Miss Allen at the age of 89, Miss Gardner at 67. Both were unusual women with unusual stories. Miss Allen was a rather plain but extremely rich business woman who destroyed her past, died intestate and brought Christmas early to the Treasury; Miss Gardner was a beautiful Hollywood screen idol, whose life read like a screenplay. Both women loved jewels, especially designer jewels.

"Dorothea's Cartier jewels from the Thirties and Forties will be highly sought after, both because they're Cartier and because they're beautifully made," says Alexandra Rhodes, one of the three "experts in charge". Miss Allen was not afraid of spending money — she used to pop into Cartier as most people do the corner shop, and picked up watches, rings, cufflinks, bangles, bracelets and all manner of knick-knacks. A diamond ring is valued at £60,000, a sapphire and diamond ring at

£40,000, and a sapphire and diamond bracelet at £50,000.

Miss Gardner showed a preference for 19th century jewels. When she chose 20th century pieces, she also plumped for top designers.

The jewels here reflect her romantic nature. There are love hearts, and a diamond brooch with the word "love" (Tiffany's, £1,000). There is an angel in a cloud by Van Cleef and Arpels which looks like something out of a Christmas cracker. Sotheby's estimates it at £1,000. Ms Rhodes covets what the catalogue describes as "an important emerald and diamond cluster ring by Van Cleef and Arpels", for an estimated £150,000. The estimate for the whole sale is £2 million to £2½ million. "It's difficult to gauge how much the provenance adds to the value," says Tania Hunter, a dealer in designer jewellery of the Twenties and Thirties. "The names do make a difference."

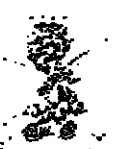
The contents of Miss Allen's home reached more than double the estimated £250,000; a few bags of Miss Gardner's clothes went for £13,299 last month, with most items fetching three times the estimate.

Prices multiply even faster when jewels are up for grabs. "Buying a dead person's shoes is pretty awful," Ms Hunter says. "There's more of a motive to buy their jewellery."

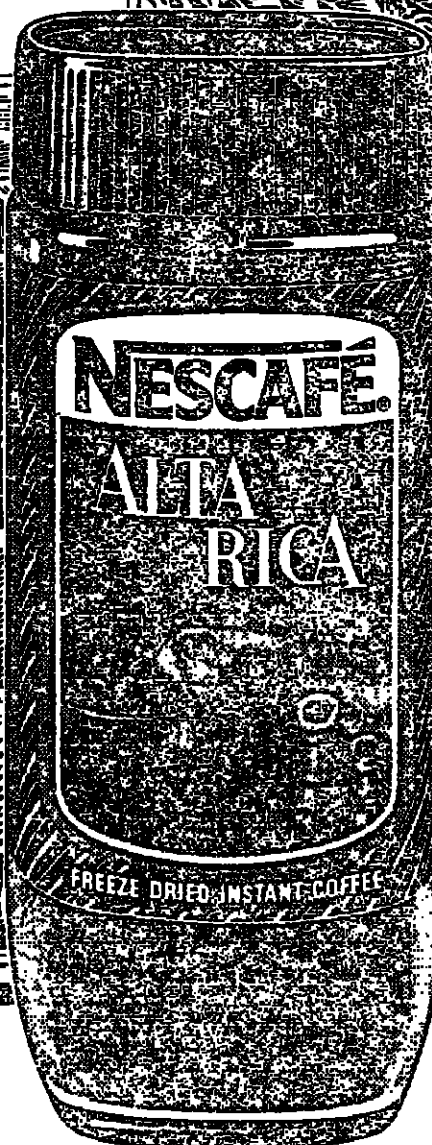
NICOLA MURPHY

So Sale at Sotheby's, 34-35 New Bond Street, London W1 (071 493 8080) at 10.30am and 2.30pm on December 10. Viewings today, tomorrow, 9am to 4.30pm; Sunday, 10am to 4pm.

'An angel, looking like something out of a cracker'



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Jewellery made: Ava Gardner and her angel brooch







## CINEMA: PREVIEW

## Pristine revival for the classic sound of silents

Two performances of Raymond Bernard's forgotten silent classic, *The Chess Player*, with its original orchestral accompaniment, mark the tenth anniversary of the first Thames Silents presentation. None of the 1,300 people who turned up at the Empire Leicester Square that chilly Sunday morning in 1980 have ever forgotten. Nobody knew what to expect. They were warned only that the show would last, with intervals, for seven hours.

The film, Abel Gance's *Napoleon*, had not been seen in its original form since its premiere at the Paris Opera in 1927. Few people remembered what it was like to watch a silent film with the accompaniment of a symphony orchestra in a great movie-house.

The experience was electrifying, and the ovations overwhelming. Since then, *Napoleon* has remained an attraction, playing the Paris Opera and the Roman Coliseum, and making the box-office charts in the United States.

More important, though, *Napoleon* resurrected the silent film experience — or, more precisely, revealed that films were never truly silent. The combination of the giant image and the live orchestra was capable of generating a higher pitch of excitement and emotion than even the most sophisticated electronic means.

Since *Napoleon*, the "live cinema" revival has spread worldwide, with regular seasons at the Louvre, special film-music festivals, and a new race of musicians dedicated to the art of composing and performing for pictures.

In the first decade of the revival, the general practice has been to create new scores. The "live cinema" revival now begins a new phase, with the restoration of original period scores. Research has brought to light silent film scores by composers as notable and various as Mascagni, Milhaud, Ibert, Satie, Jauré, Shostakovich, Honneger, Lehar, Shostakovich and Florent Schmidt.

Henri Rabaud, who composed the score for *The Chess Player*, was one of the most distinguished musicians to work for silent films. Born in Paris in 1873, he was a classmate of Marcel Proust, and studied both literature and music.

The theatre drew him more and more. Deeply influenced by Wagner, Verdi, Puccini and Mascagni, originally established with the grandiose aim of celebrating the history of France in 18 epic films.

*The Chess Player*, however, was a deviation into Russo-Polish history. The story grew out of a legend surrounding a famous 18th-century automaton chess player. Created by a Hungarian, Baron von Kempelen, in 1769, the chess player toured throughout Europe, beating all comers and displaying its skills before the crowned heads. Napoleon himself took up the challenge, at Schoenbrunn in 1809; and lost, even though he cheated. The automaton eventually went to America, where it was destroyed in a fire in the 1850s.

The justifiable suspicion that a human being was somehow concealed in the machine gave rise to the myth that von Kempelen used it to hide a fugitive Polish patriot who had lost his legs in battle. In the film, the Polish hero, played by Pierre Blanchard, keeps his legs but ends up in the automaton nonetheless. He is carried to the very heart of the enemy camp when Catharine the Great commands the automaton to the court of St Petersburg.

The shimmering, near pristine print of the film that will be seen at the Dominion shows off the spectacular settings by Jean Perrier, and the rich costumes created by Eugene Lourie (a Russian emigré still living in Hollywood at the age of 85). The photography, including some breath-taking Russian snowscapes was by Joseph-Louis Mundwiler, who had made some of the earliest Russian films.

The restoration has not been achieved without effort. No single complete print existed and this copy has been painstakingly restored, by Kevin Brownlow and David Gill, from prints found in Luxembourg, East Germany and a collection in Holland. The Luxembourg copy made it possible to recreate the original colour tinting.

Disparities in editing between the different prints were finally resolved by comparing timing and tempo in Rabaud's musical score, a process which required weeks of study by Carl Davis, who will conduct the Live Cinema Orchestra at the Dominion.

● *The Chess Player* is showing at the Dominion, Tottenham Court Road, London W1 (071-580 9562) tomorrow and Saturday at 7.30pm.

David Robinson  
on this weekend's  
London showings of  
*The Chess Player*

he was, from 1908 to 1918, director of the Paris Opéra orchestra. His own best remembered operas are *Marouf, le savetier de Caïre*, from an Arabian Nights story, and *L'Appel de la mer*, from J.M. Synge's *Riders to the Sea*. In 1920 he succeeded Gabriel Fauré as director of the Conservatoire, where he remained until 1941. It was during this time that he composed orchestral accompaniments for two silent films by Raymond Bernard, *Le Miracle des Loups* and *Le Joueur d'Echecs*.

In both scores the Wagnerian influence is strong, but Rabaud has distinctive qualities in the clarity of structure and orchestration, and his strong sense of dramatic colour. At the premiere of *The Chess Player* at the Martineaux Theatre, the audience spontaneously rose to cheer the music for the cavalry charge.

The director of the film, Raymond Bernard (1891-1977), was the son of the well-loved playwright Tristan Bernard. At 22 he acted on stage with Sarah Bernhardt in *Jeanne d'Arc*, a corny but effective vehicle written for her by his father. Three years later, after Bernhardt had had a leg amputated, they resumed their roles in a film version. Despite the difficulties of working with the handicapped diva, Bernard was inspired to take up film direction.

In 1924, Bernard's *Le Miracle des Loups* inaugurated a whole era of historical epics, which would include *Casanova*, *Michael Strogoff* and *Napoleon* itself. Both *The Chess Player* and *Le Miracle des Loups* were made for a company

romantic epic recreated: a scene from Raymond Bernard's 1926 silent film, *The Chess Player*.

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## CINEMA: NEW RELEASES

## Menace from Dennis

Geoff Brown reviews

*The Hot Spot,*  
*Texasville, Home*  
*Alone, A World*  
*Without Pity, Time*  
*of the Gypsies and*  
*Mister Frost*

Dennis Hopper's *The Hot Spot* (18, Prince Charles) really is hot: at boiling point nearly all the time. On the surface, little happens in the poky Texas town (this is Texas's week at the movies) where drifter Don Johnson secures a job selling used cars. Colleagues while away the hours quenching their thirst or playing cards; gum is religiously chewed; once in a while, citizens watch the fire brigade tackle a blaze.

But this community is clearly twinned with Peyton Place (if not Twin Peaks). Behind closed doors, sexual passions erupt like Vesuvius, and past sins cast dark shadows. The newcomer, sensing easy pickings, romances the ladies and stages a bank theft; yet he, too, becomes sucked into the vortex of secrets and deceit.

Dennis Hopper directs with the menacing intensity of a leopard stalking its prey. Ever since David Lynch's *Blue Velvet*, any Hopper film has had to wrestle with the audience's memory of his astonishing portrayal of Frank Booth: a contender for the Eighties' most foul-mouthed and psychotic film character. *The Hot Spot* vibrates with so much pent-up passion that one almost expects Booth to burst into view, twinkling malevolently.

Hopper, who remains behind the cameras, builds up the tension step by step, etching in the lazy daily round, letting the strangeness of events reverberate in the mind. He also keeps a tight grip on his players. Don Johnson, beefcake luminary of television's *Miami Vice*, underplays the drifter's role a mile too earnestly, but the rest of the cast incarnate the town's sins, cuckolds, soiled innocents and vicious blackmailers with a potent mix of tautness and flamboyance: Virginia Madsen (the voracious wife of Johnson's boss) is positively incendiary. The film draws upon a novel by Charles Williams, *Hell Hath No Fury*.

"It's not a place... it's a state of mind," declare the posters for *Texasville* (15, Metro, Gate Notting Hill). Peter Bogdanovich's sequel to *The Last Picture Show*. But how the state of mind has changed. That adaptation of Larry McMurtry's novel offered a poignant tapestry of restless youth in a godforsaken town at the start of the Fifties. This is a brittle, absurdist comedy of middle-aged crisis, which constantly tumbles into threadbare farce. It is as though Shakespeare had followed *Hamlet* with *Carry on Elsinore*.

Experiencing *Texasville* is like wandering into a film already well underway. The script makes little attempt to explain the past, and the central character (Jeff Bridges as Duane Jackson) is certainly no

help, wandering in a state of bemusement, chewing his words. The film's catalyst is Cybill Shepherd's character, Jacqui, who broke hearts in high school and returns to Texas after bruising years in Europe. Tongues wag about old times with Duane. The Timothy Bottoms character — now the mayor — drifts into a mental haze, while the town prepares for the "Old Texasville Centennial". Bogdanovich supplies amusing coverage of Texas life, but the fragmentary, shallow style drains the film of emotional resonance. *The Last Picture Show* should have remained the last.

In *Home Alone* (PG, Warner West End) — a huge box-office hit in America — the basic idea is promising enough: the child hero's family rush away for their Christmas vacation in Paris, accidentally leaving him behind to fend off bumbling burglars. Yet writer-producer John Hughes and the director Chris Columbus stamp over their scenario in hob-nailed boots. "Voaahh!" yells little Kevin as he experiences various domestic calamities. "Aaaagh!" scream the burglars (Joe Pesci, Daniel Stern), falling backwards down flights of steps. This is cartoon-style comedy, broad, noisy, hammered into the ground.

*Home Alone* pulls at the heartstrings just as vigorously as Kevin's Christmas is a picture-postcard affair: snow decks the streets prettily, while everyone lives in ample mansions ablaze with consumer goods. Luckily, performances prevent too much sugar piling up: ten-year-old Macaulay Culkin is endearing; Catherine O'Hara, the mum, injects warmth;

while John Candy appears in a cameo designed for the adults in tow. *Home Alone* is fast-food American family entertainment: made to order, with relish but without finesse.

The chief drawback to *A World Without Pity* (15, Renoir) is its title. Yet this debut feature by Eric Rochant, a young French director, dances with life, expertly capturing the bored insouciance of Parisian youth, hoping for romance but doing little to nurture its flames. Our hero is a disarming layabout (a winning performance from Hippolyte Girardot), who pursues a studious beauty (Michelle Perrier). Events conspire to thwart their relationship, though the omens were never good.

Rochant drives along his little tale with an off-hand élan and lack of pretension doubly welcome in a national cinema that persists in enthroning the chic creations of Luc Besson and Jean-Jacques Beineix. Rochant creates an authentic world, lightly touched with movie magic: you can smell the smoke and black coffee choking Hippolyte's apartment.

Several years ago, Yugoslav director Emir Kusturica charmed his way into art-house cinemas with *When Father Went Away* on

Positively incendiary: Virginia Madsen as a voracious wife in Dennis Hopper's *The Hot Spot*

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Business. Time of the Gypsies (15, Camden Plaza, Chelsea Cinema) — a Cannes Film Festival prizewinner last year — will have a tougher time finding friends.

There is no doubting the director's poetic sensibility, or his vibrant response to Yugoslav peasant life. But this straggling tale of Perhan, a teenage gypsy conscripted into an army of thieves, offers uphill viewing: attractive set pieces battle with rambling music, a halting story, and a noisy cast. Sometimes it seems as though every part in the film was being played by Anthony Quinn.

The film pleases most in its early stages, where Kusturica establishes the hero's family (fiery grandmother, crippled sister, wastrel uncle) and creates a kaleidoscope of gypsy life on the fringe of modern civilisation. But the narrative thread proves too slender to sustain Kusturica's visual flights, and disruptive jumps sabotage the later scenes of Perhan hunting for his missing sister. The lacunae, no doubt, are filled to abundance in the six-part television series derived from the same material.

In the week of the European Film Awards, a frightful Euro folly: *Mister Frost* (15, Cannon Haymarket and elsewhere). This Anglo-French venture from a French director, Philip Setbon, maroons notable actors (Jeff Goldblum, Alan Bates, Kathy Baker) in a stateless landscape and a silly story about a mass-murderer who seems to be Satan incarnate. It takes just a minute to see what the film is: rubbish incarnate.

Sexual passions erupt like Vesuvius, and past sins cast dark shadows'

manoe but doing little to nurture its flames. Our hero is a disarming layabout (a winning performance from Hippolyte Girardot), who pursues a studious beauty (Michelle Perrier). Events conspire to thwart their relationship, though the omens were never good.

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## TELEVISION

## Statesmen, war and leisure wear

A LITTLE slower and chubbier now, resembling a well-preserved lizard after a good lunch, the old media megastar walked slowly down the steps of some palatial home and talked nostalgically of his early days as a life-guard. So much for Clive James. The Ronald Reagan he was interviewing (Clive James meets Ronald Reagan, BBC 1, Tuesday) proved no less avuncular. Indeed the two of them could well have been auditioning to be Santa Claus in the next Macy's Christmas parade.

Sometimes in a rambling chat a difference would emerge: Clive said he did not much care for horses, whereupon Ronnie twinkled that

there was nothing so good for the inside of a man as the outside of a horse. Clive at one moment mentioned the little Marcos difficulty Reagan just went on smiling. Indeed, he was at his most revealing when discussing a curiously patented shirt collar which makes his chest look broader.

We Reagan still president, we would now possibly be well into reel two of *The Desert Rats*. But with Bush, life seems a little more uncertain: last night's Dispatches (Channel 4) was a powerful statement against going to war in the Gulf, looking at the shaky boundary between the moral arguments and the national interests at stake. From

American parents of serving marines and from congressmen alike there came considerable unease about a war which is potentially capable of more devastation than anything since Nagasaki, with a thousand dead projected for every day of battle. One parent enquired why his son was being sent out to defend an emir whose own army did not fight 12 hours.

Tony Benn seemed surprised that we were so concerned about Saddam Hussein's invasion of Kuwait when we had allowed him into Iran and indeed the Turks into Cyprus without a murmur, and several witnesses predicted a long siege rather than

the surgical strike being forecast by the Pentagon.

After such weighty issues of war and profit, it was almost a relief to find Sean O'Hagan for Without Walls (Channel 4) agonising over nothing worse than what he alleged was the moral collapse of the Rolling Stones. Mick Jagger is now apparently marketing for American television a line in leisure clothing. O'Hagan appears to see the collapse of modern civilisation in this.

On last night's evidence, some would say that Jagger appears vastly more suited to the selling of leisure wear than ever he was to singing.

SHERIDAN MORLEY

## Pinter's rolling

THE present blitz of Harold Pinter revivals — timed to coincide with the playwright's 60th birthday year — is not confined to the stage. On December 16 filming will begin on a television version of his 1971 play *Old Times*, for BBC 2's series "Performance Strand". Due to be broadcast in the middle of next year, it involves the starry trio of John Malkovich, Kate Nelligan and Miranda Richardson. If the volatile Malkovich seems an unlikely choice, it should be noted that he has acted Pinter extensively with Chicago's Steppenwolf Theatre Company and directed *The Caretaker* on Broadway, prior to starring in the recent Hampstead/West End success, *Burn This*.

SAD news that the only public venue in London devoted exclusively to Islamic art is about to close. The Zamana Gallery, housed in the basement of the Ismaili Centre opposite the Victoria and Albert Museum, will close after its current show of *Contemporary Art from Uzbekistan* ends on January 13. Its warmest friends could hardly maintain that the gallery has always been very professionally run. But it has staged some valuable shows and had an impressive line-up of events scheduled for next year. The reasons for the trustees' sudden decision to

shut the gallery remain obscure, but it is known that the centre as a whole never seems to have wanted the gallery, which was a requirement needed to win planning permission for the site in the first place.

Scottish search  
AN INTERNATIONAL competition is under way to find an architect to design the Museum for Scotland, a £25 million project which will provide a home for Scotland's



Malkovich: Pinter player

## Going concern

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## BRIEFING

historical treasures. The building will be located in Edinburgh, next to the Royal Museum of Scotland, which has many of those treasures tucked away in storage out of public view.

Selection of the winning architect will be made by the end of next summer and construction is scheduled to begin in late 1992. The project is being funded by the government, while a further sum needs to be raised from private sector sponsorship for interior work.

## Last chance...

HALF-WAY through Claire Luckham's play, *Miss Fanny Kemble*, at the Nuffield Theatre, Southampton (0703 671771), comes a marvellous moment when the stage splits open four ways. Fanny's home in Georgia becomes her husband's plantation and slaves emerge from the gaps. Not all episodes in this story of a Victorian actress outraged by slavery generate this sort of excitement, but there are vigorous performances from Brenda Blethyn, Jeremy Sinden and Marcia Warren. The play ends on Saturday.

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## BBC 1

- 6.00 Coefax  
6.30 BBC Breakfast News  
6.50 Daytime UK: 9.00 News, regional news and weather 9.05 Brainwaves. Leisure and lifestyle quiz presented by Andy Craig 9.25 Dish of the Day. Flavours from Scotland 9.30 People Today. Three expectant mothers talk about their hopes for themselves and their babies 10.00 News, regional news and weather 10.05 Playdays. Simon Davies tells the story of *Penguin Pete's New Friend* (10.10) *Banney*. Canine cartoon (10.15) *People Today*. The daily life magazine programme (11.00) News, regional news and weather 11.05 *Kirby*. Robert Kirby-Silk hosts a discussion on racism 11.45 Before Noon. Alan Titchmarsh reveals today's Brainwaves question winner 12.00 News, regional news and weather 12.05 *Rosemary's Diary* and *Fit and Slim*. Includes a live phone-in and 12.20 *Scene Today*. Judi Spens and Alan Titchmarsh present live entertainment from Pebble Mill 12.55 Regional News and weather 1.00 One O'Clock News with Philip Hayton. Weather 1.30 *Neighbours*. (Coefax) 1.50 *Going for Gold*. Henry Kelly hosts the Euro-gold

- 2.15 Film: No Room to Run (1979). Routine television thriller from Australia starring Richard Benjamin as a PR man for an American multinational who becomes involved in murder when asked to deliver a briefcase to a client. Paula Prentiss and Ray Barrett co-star. Directed by Robert Michael Lewis  
3.50 Children's BBC: The Biscuits. Cartoon about a boy and his weather-themed friends 4.05 *Clockwise*. School teams compete against the clock in the final of this fast-moving quiz 4.20 *Fantastic Max*. Cartoon 4.35 *Maid Marian and Her Merry Men*. Starring Tony Robinson as the Sheriff of Nottingham 5.00 *Newsround* 5.05 *Blue Peter*. (Coefax)  
5.35 *Neighbours* (1). (Coefax). Northern Ireland. 5.40 *Inside Ulster*  
6.00 Six O'Clock News with Anna Ford and Andrew Harvey  
6.30 Regional News Magazines. Northern Ireland. Neighbours  
7.00 Top of the Pops with Mark Goodier  
7.20 *EastEnders*. (Coefax)  
8.00 *Tomorrow's World*. Judith Hann, Howard Stablesford, Peter Maclean and Kate Bellingham present the science magazine, includes a report on the first trials of a new health care system in the form of credit-card-style medical records, and a lullaby bag that can relieve altitude sickness for mountaineers

- 8.30 *Birds of a Feather*: Jobs for the Girls. Cheeky comedy from Sharon and Tracey, the villains' wives making out while their husbands are in prison. Tonight they come up with an enterprising scheme to make extra money for Christmas. Starring Pauline Currie and Linda Robson. (Coefax). Northern Ireland. Scotland  
9.00 *Nine O'Clock News* with Marilyn Lewis. Regional News and weather 9.30 *Smith and Jones*. High quality head-to-head dialogue and comic sketches from Mel and Griff. (Coefax)  
10.00 *Crimestwatch UK*. Viewers are invited to help the police solve serious crimes, such as an armed robbery on a Securix van in Liverpool. A police constable gives chase on a motorbike and was threatened by one of the robbers with a sawn-off shotgun. (Coefax)  
10.45 *Question Time*. From Brighton, Peter Sissons chairs a live debate on the political issues and events of the week. The guests are Arthur Scargill, president of the NUM, Sara Parlan, green party speaker, the health secretary William Waldegrave and Ann Taylor, Labour's environment protection spokeswoman  
11.45 *Crimestwatch UK Update*. Results of viewers' calls from tonight's programme. (Coefax)  
11.55 Weather

## ITV LONDON

- 6.00 TV-am  
9.25 *Keynotes*. Music quiz 9.55 *Thames News* and weather  
10.00 *The Time ... The Place ... The Travelling*. A discussion show  
10.40 *This Morning*. Magazine programme, including at 10.55 *News*  
11.55 *Thames News* and weather  
12.05 *The News* 12.25 *Home and Away* 12.55 *Thames News* and weather  
1.00 *News at One* with John Suchet. Weather  
1.20 *The Home Show*. Ideas for homes and gardens 1.50 *A Country Practice*  
2.20 *TV Weekly*. A behind-the-scenes look at programmes on ITV  
2.50 *Talkabout*. The game show for fast-talking couples 3.15 *News* headlines  
3.20 *Thames News* and weather  
3.25 *The Young Doctors*  
3.55 *Children's ITV: The Raggy Dolls*: Ghosts (1) 4.10 *Disney's Duck Tales* (1) 4.35 *Speedy and Daffy* (1) 4.40 *Sea Dragon*  
5.10 *Blockbusters*. Teenage quiz show 5.40 *News at 5.40* with Sue Carpenter. Weather  
5.55 *Thames Help*. (Oracle) 6.00 *Home and Away* (1) 6.30 *Thames News* and weather 7.00 *Emmerdale*. (Oracle)  
7.30 *Hurry for Today USA*. How the main streets of American towns are under threat from the shopping mall

## CHANNEL 4

- 6.00 *The Art of Landscapes*. Soothing music combined with stunning scenery  
6.20 *Business Daily*. The early-morning edition of the financial programme with updates on markets worldwide  
6.30 *The Channel 4 Daily*. News magazine with regular bulletins throughout the programme, plus weather and travel updates, *Box Office*, and at 7.35 and 8.35 fun for the kids with *Early Bird*  
9.25 *Canyon Consort*. Documentary following the Paul Winter Consort during the rehearsal and recording of their album *Canyon in the Grand Canyon* (1)  
10.30 *Film: Vintage Wine* (1935, b/w). Sparkling comedy starring the colourful stage actor Seymour Hicks as a 60-year-old husband who runs into trouble when his young wife discovers he is 20 years older than he claims to be. Directed by Henry Edwards  
12.00 *The Parliament Programme*. A look ahead to the afternoon's proceedings at Westminster with Sue Cameron  
12.30 *Business Daily*. Susanahh Emors presents the lunchtime edition of the financial programme, plus weather and travel updates  
1.00 *Sesame Street*. Educational entertainment with the Muppets  
2.00 *World of Herbs*. Lesley Bremness continues her fascinating and instructive guide to herbs by examining plants with earthy flavours (1)  
2.30 *Film: The Last Days of Pompeii* (1909). In this unassuming sequel to the musical *Sweet Rosie O'Grady*, Patricia (June Haver) defies her father and decides to follow her mother as a musical comedy star. Directed by David Butler  
4.30 *Fifteen to One*. William G. Stewart hosts the changing general knowledge quiz  
5.00 *The Oprah Winfrey Show*. Extraordinary Ways To Meet a Mate. Oprah's guests, and members of the audience, describe their unorthodox romantic encounters (1)  
5.50 *The Adventures of Tintin*. Black Island (1) Animated adventure with the ever-popular boy and his dog

- 6.00 *The Bill*. Post Garfield (Huw Higginson) and Cunniff (Andrew Paul) try to prosecute a car radio thief. (Coefax)  
8.30 *This Week: Back to Basics?* CHOICE: A disquieting report from Milton Keynes reveals that children are leaving the town's showpiece comprehensive unable to spell or compose a straightforward letter and with the mathematical ability of 11 year olds. With unemployment at less than 3 per cent, this is no deprived area and the finger is pointed at the school's teaching methods, which are criticised for filling the children with ideas and ignoring the basic skills of spelling, grammar and arithmetic. Struggling with his first job at the local Abbey National, one former pupil says the school never gave him a spelling test. At the town's industrial training centre, potential recruits for industry are having to be taught simple fractions and decimals. The school, which puts the emphasis on classroom games rather than formal teaching, is unrepentant. The head teacher is shown telling parents that a return to basics would be damaging to education. (Oracle)  
9.00 *Central City*. Sarah (Joanna Kanakis) and Yolande (Pia Henderson) take stock of their relationship. (Oracle)  
10.00 *News at Ten* with Sandy Gall and Julia Somerville. Weather 10.30 *Thames News* and weather



Talking stock: Stricks and Yolande (8.00pm)

- 10.40 *The City Programme*. Includes a report on the retail sector, which is preparing for a very merry Christmas  
11.01. Includes interviews with Dennis Hopper and Cliff Richard  
11.40 *Prisoner*. Cell Block H  
12.30am *A Problem Aired*. Dr John Cobb talks to viewers with emotional problems  
1.00 *The Concert*. The 4 of Us, recorded at the Town & Country Club  
2.00 *Film: Bug* (1975). Far-fetched horror film in which pyrotechnic rock-like insects emerge from cracks caused by an earthquake. Starring Bradford Dillman. Directed by Jessmott Szwarc  
4.00 *The Invisible Man: The Rocket* (b/w) (1) 4.30 *America's Top Ten* (1)  
5.00 *ITN Morning News* with Phil Roman. Ends at 6.00

## BBC 2

- 8.00 *News*  
8.15 *Westminster*. Rounding-up yesterday's parliamentary events  
9.00 *Sportz Crazy*. More unusual sporting pursuits from Australia (1)  
9.40 *Film: All Over Town* (1937, b/w). Fiftieth anniversary of the film starring Ole Olsen and Chic Johnson as has-been actors planning to stage a comeback in an old theatre which appears to be in ruins. Directed by James Horne, best known for his work with Laurel and Hardy  
10.40 *After Hours*. The American showbusiness magazine. Includes a profile of the Bee Gees  
11.00 *The Invisible Man: The Fine Art of Diplomacy*. After a big art theft, Daniel (David McCallum) must find out how the security system was breached  
11.50 *Film: Stage Door* (1937, b/w). Poignant comedy starring Katharine Hepburn and Ginger Rogers as aspiring actresses and unwilling flatmates, both trying to grab their big break and producer Adolphe Menjou. Lucille Ball, Eve Arden and Ann Miller co-star. Directed by Gregory La Cava  
1.20 *PC Pinkstar*. Cartoon (1)  
1.25 *Firmen Sam*. Cartoon (1)  
1.35 *Curry on Ice*. John Curry, the free-skating champion, offers more advice to six young hopefuls (1)  
2.00 *News* and weather, followed by *The Making of a Continent: Collision Course*. The first of three films on the geographical history of North America. Written and narrated by Barry Paine (1)  
3.00 *News* and weather, followed by *Westminster Live*. Brian Curtois reports on today's Parliamentary proceedings, including prime minister's question time 3.55 *News* and weather. Regional news and weather  
4.00 *Catchword*. Paul Coss hosts the popular word game  
4.30 *Behind the Headlines*. Jeffrey Archer and Paul Boateng discuss whether a new all-European security system is needed. Should the East and West unite to build a missile shield to replace Nato and the Warsaw Pact?

- 5.00 *One in Four*. Simon Barnes and Chris Davies present the magazine programme about disability. Includes reports on disabled lesbians and gays and a flying scholarship scheme (with subtitles and sign language)  
5.30 *Clean Steve*. Jackie Sorekley presents the education magazine, includes a report on Johannesburg's black university students, the boxer Barry McGuigan talking about his education, and the Rev. Peter Pilkington, the High Master of St Paul's School in London, defending A-levels  
6.00 *Film: Road to Utopia* (1945, b/w). Bob Hope, Bing Crosby and Dorothy Lamour in sparkling form in the fourth of the *Road* movies. The wisecracking duo encounter murderous thugs and talking animals during their search for an Alaskan goldmine. Directed by Hal Walker  
7.25 *First Sight*. The Shadow of Prejudice. Ian Smith reports on the growing threats and physical attacks against Jewish people, and examines the causes of anti-Semitism. Wales: Open Space. Northern Ireland: Birds of a Feather. East: Second Thought. Midlands: The Midlands Report. Leeds, Newcastle and Manchester. Close Up North. Southampton: Screen Eye. Plymouth: Western Approach. Bristol: Current Account  
7.55 *Prisoners of Conscience*. Kate Bush with the first of tonight's cases about people imprisoned for their convictions  
8.00 *Debra Smith's Christmas*. The homey cook conjures up drinks party canapés, roast goose with prunes in armagnac, and beef in port. Her delectable desserts include chocolate truffle tarts. (Coefax)  
8.30 *Wildlife Showcase: The Loving Spoonbills*. The first of three films on the world shows exotic birds such as African spoonbills, sacred ibis and flamingoes, protecting their young from flying predators  
9.00 *Harry Enfield's Television*. Programme. Hit-and-miss comedy from the man of many personas. The guest is Sir David Steel, MP



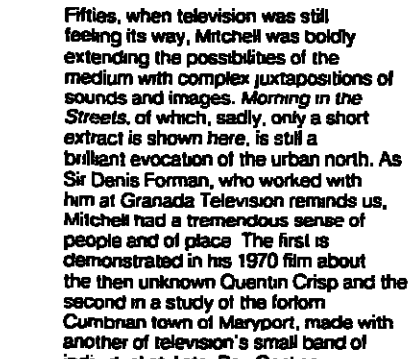
A civilised refugee: Malikha Shawa (8.30pm)

- 9.30 *40 Minutes*: Malikha's Hotel. CHOICE: Following a favourite 40 Minutes style of finding a quirky angle to world events, Stephen Lambert's film is a profile of Malikha Shawa, who owns the only hotel in the Israeli occupied Gaza Strip. She is a Palestinian, but unlike many of her compatriots who are forced to live in refugee camps, she comes from a wealthy family and was educated at Cheltenham Ladies College. Depending for her guests on visiting journalists, diplomats and other foreign visitors, she offers a civilised refuge from the violence and squalor of a politically charged area. Lambert does his best to present her as a character in her own right but he cannot divorce her from her context and rather against its will the film keeps moving from the personal to the political. The first of three films, Malikha joins in the condemnation of the Israeli government while saying she has no hatred for the Jews. (Coefax). Wales: Wales Playhouse  
10.10 *Nicholas Craig - the Naked Actor*. Climbing the Mountain. Nigel Planer's tongue-in-cheek view of the tinsap programme that examines the soul-searching process of rehearsal  
10.30 *Newsnight* with Peter Snow  
11.15 *The Late Show*. News and views from the arts and media world  
11.55 Weather  
12.00 *Prisoners of Conscience*. Kate Bush on the plight of another prisoner (1). (Coefax). Ends at 12.40

## CHANNEL 4

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2.00 *World of Herbs*. Lesley Bremness continues her fascinating and instructive guide to herbs by examining plants with earthy flavours (1)  
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4.30 *Fifteen to One*. William G. Stewart hosts the changing general knowledge quiz  
5.00 *The Oprah Winfrey Show*. Extraordinary Ways To Meet a Mate. Oprah's guests, and members of the audience, describe their unorthodox romantic encounters (1)  
5.50 *The Adventures of Tintin*. Black Island (1) Animated adventure with the ever-popular boy and his dog

- 6.00 *The Crystal Maze*. Six contestants test both their mental and physical dexterity, guided by the master of the maze, Richard O'Brien (1)  
7.00 *Channel 4 News*  
7.50 *Comment*. A personal comment on a topical subject. Weather  
8.00 *Eye 2 Eye*. Steve Taylor hosts the style and design quiz. This week's guests Magenta de Vine, Moby Picken and Tommy Nutter, tackle films and fashion  
8.30 *Cheers: Coach Returns to Action*. Welcome repeats from the first series of the American comedy set in a Boston bar. Coach (Nicholas Colasanto) develops a footloose technique for winning over women, which shocks Sam (Ted Danson), an expert in the field (1). (Teletext)  
9.00 *Film: Hush-a-Bye Baby* (1959). CHOICE: A promising first film by the Irish writer-director Margo Harkin, *Hush-a-Bye Baby* tells a fresh story to the theme of schoolgirl pregnancy by setting it in the Catholic community of Derry against the background of the abortion debate and the supergrass trials. There are times when Harkin's scenario can seem contrived, as when the schoolgirl's pregnancy is a working-class Irish community. Emer McCourt's finely-tuned performance as the pregnant girl who suffers the agonies of fear and isolation, won the best actress award at the Locarno Film Festival. The rock star Shred O'Connor plays one of her friends  
10.30 *A Tribute to Denis Mitchell*. CHOICE: When most television documentary is efficiently anonymous, it is good to be reminded of the achievement of Denis Mitchell, who brought to the form something of the poetry and personal imprint more readily associated with film-makers such as Humphrey Jennings. As early as the



Poetic imprint: Denis Mitchell (10.30pm)

- 12.05am *A Week in Politics - Late*. Sitting. Lord Hailsham, the former Lord Chancellor, and his son, Foreign Office minister Douglas Hogg, MP, discuss the changing nature of conservatism; there is a report on the possibility of greater powers being given to the European Parliament, plus Labour's health initiative, the opposition debate on the poll tax, and the allegations concerning defence minister Alan Clark, MP, and the export of machine tools to Iraq. Ends 1.40

## ITV VARIATIONS

- ANGLIA  
As London except: 6.25pm-7.00 *Anglia News* 10.40 *Anglia News* 11.00 *Anglia News* 11.30 *Anglia News* 11.55 *Anglia News* 12.30 *Anglia News* 1.00 *Anglia News* 1.30 *Anglia News* 1.55 *Anglia News* 2.30 *Anglia News* 3.00 *Anglia News* 3.30 *Anglia News* 4.00 *Anglia News* 4.30 *Anglia News* 5.00 *Anglia News* 5.30 *Anglia News* 6.00 *Anglia News* 6.30 *Anglia News* 7.00 *Anglia News* 7.30 *Anglia News* 8.00 *Anglia News* 8.30 *Anglia News* 9.00 *Anglia News* 9.30 *Anglia News* 10.00 *Anglia News* 10.30 *Anglia News* 11.00 *Anglia News* 11.30 *Anglia News* 12.00 *Anglia News* 12.30 *Anglia News* 1.00 *Anglia News* 1.30 *Anglia News* 1.55 *Anglia News* 2.30 *Anglia News* 3.00 *Anglia News* 3.30 *Anglia News* 4.00 *Anglia News* 4.30 *Anglia News* 5.00 *Anglia News* 5.30 *Anglia News* 6.00 *Anglia News* 6.30 *Anglia News* 7.00 *Anglia News* 7.30 *Anglia News* 8.00 *Anglia News* 8.30 *Anglia News* 9.00 *Anglia News* 9.30 *Anglia News* 10.00 *Anglia News* 10.30 *Anglia News* 11.00 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By ALAN HAMILTON

It was in the interest of the entire world to help that country's transition, not only from communism, but from an old imperial structure to a loose confederation of republics.

But in Geneva, Nikolai Smirnov, from the Soviet foreign ministry, said that fears in Western countries that they would be swamped by Russians were "groundless."

By JILL SHERMAN, SOCIAL SERVICES CORRESPONDENT

Obstetricians, midwives, paediatricians and anaesthetists ought to be working in a harmonious and constructive atmosphere as a team, he said. "Stress in such a situation is to some extent inevitable but the fear of litigation is

Lord Griffiths, Lord of Appeal in Ordinary, had suggested that cases could be determined through arbitration

is expected to object to a proposal that European Community nationals should have a right to live in any Community nation. There is already freedom to travel and work, but in some cases people have to show that they can support

In spite of all this, Gould stayed cool, confident and audible. He offered convincing proof that the Conservative

MATTHEW PARRIS

**Smiling through: Reagan with Martin Harris, president of the Cambridge debating society**

**Solution to Puzzle No 18,469**

G	A	R	I	S	A	L	O	I	A	L	O	F	O
R	E	A	A	M	B	O	R						
A	N	T	O	N	V	M	P	R	O	F	I	L	E
E	T	I	M	S	N	I	G	H	T	A	G	E	
E	T	I	M	S	N	I	G	H	T	A	G	E	
C	O	O	A	C	A	D	E	M	I	C	I	A	N
A	N	T	E	R	C								
B	R	E	A	D	W	I	N	N	E	R	D	U	
L	C	O	O	G	A	F							
E	A	S	T	E	R	N	E	R	N	E	R		
G	T	N	O	L	O								
R	E	A	C	T	O	R							
A	B	E	V	E	R	T	I	N					
M	A	J	O	R									
M	A	J	O	R									

12 You leader in sticky leg nap (10).  
15 "And the end of the fight is a white" (Kipling) (9).  
17 Separate passage booked to Paraguay on a chart (9).  
18 Combustion would sound the likely outcome of this (8).  
21 Thoroughfare made of stone with core of ash, perhaps (6).  
22 Fruit in hand, beat it! (5).  
24 Made only about one litre (5).  
25 Cold, with sore throat (4).

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**Concise Crossword, page 15**

<b>London &amp; SE traffic, roadworks</b>	
C. London (within N & S Circs.)	731
M-ways/roads M4-M1	732
M-ways/roads M1-Dartford T.	733
M-ways/roads Dartford T.-M25	734
M-ways/roads M25-M4	735
M25 London Orbital only	736
<b>National traffic and roadworks</b>	
National motorways	737
West Country	738
Wales	739
Midlands	740
East Anglia	741
North-west England	742
North-east England	743
Scotland	744
North Ireland	745
AA Roadwatch is charged at 33p per minute (cheap rate) and 44p per minute at all other times.	

Lower Bridge will be lifted at the following times today: 1840hrs and 1700hrs

Lower Bridge will be lifted at the following times today: 1840hrs and 1700hrs

Lower Bridge will be lifted at the following times today: 1840hrs and 1700hrs

11.20 am	9.02 pm	Glasgow	7 45c	Finisway	7 45c
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Tide in metres: 1m-3.28082.

Information supplied by Met Office



● BUSINESS AND FINANCE 25-32  
● TURKISH BANKING REPORT 34,35  
● LAW 36  
● SPORT 36-40

# BUSINESS

THURSDAY DECEMBER 6 1990

Executive Editor  
David Brewerton

## Western oil stocks highest in 10 years

CRUDE oil stocks held by Western nations have risen to a ten-year high after a substantial increase in production by Opec members, according to estimates from the International Energy Agency, the energy consumers' watchdog.

The Paris-based agency said stocks held by the 24 industrialised members of the Organisation of Economic Co-operation and Development totalled 473.4 million tonnes at the beginning of November, 10.7 million tonnes more than at the same time last year and the highest since 1981.

Opec production rose by 600,000 barrels per day (bpd) in October to 22.9 million bpd in November, thereby increasing world supplies, excluding the former communist bloc, to 53.8 million bpd.

Demand for crude is forecast to fall by 1.5 per cent during the first three months of 1991 and by a total of 3 million barrels a day to 50.6 bpd next spring.

Comment, page 27

## Yorkshire Water has lowest cost

YORKSHIRE Water has become the lowest-cost supplier per head of the ten water and sewage groups, with a 6.4 per cent rise in operating costs in the six months to end-September. Pre-tax profits rose 12.5 per cent to £57.4 million and the maiden interim dividend of 5.9p implies a 14.8 per cent increase.

Thames Water has paid an initial £3.1 million for Metro Rod, a drain cleaning company operating partly through franchises.

Temps, page 27

## Dan-Air issue

David James, chairman of Dan-Air, is considering a rights issue to raise money to expand scheduled services. Mr James took over Davies & Newman, the parent company, five weeks ago after a £30 million cash injection.

Boost sought, page 27

## THE FOUND

US dollar 1.9225 (-0.0020)  
German mark 2.8886 (-0.0068)  
Exchange index 93.6 (same)

## STOCK MARKET

FT 30 Share 1689.6 (+8.0)  
FT-SE 100 2152.6 (+6.3)  
New York Dow Jones 2583.17 (+3.47)  
Tokyo Nikkei Ave 22193.72 (+331.11)  
Closing Prices ... Page 31

## INTEREST RATES

London: Bank Base: 14%  
3-month Interbank 13% 13 1/4%  
3-month eligible bills 13 1/4% 12 1/2%  
US: Prime Rate 10%  
Federal Funds 7 1/4%  
3-month Treasury Bills 7 02 1/2%  
30-year bonds 104 1/2% 104 1/2 1/2%

## CURRENCIES

London: New York:  
£/\$ 1.9225  
£/DM 2.8886  
£/Sfr 2.4875  
£/FF 16.7712  
£/Yen 258.68  
£/Index 93.6  
ECU 1.936494  
ECU 1.936494

## GOLD

London: New York:  
AM \$377.30 pm \$376.00  
Close \$373.00 \$373.50 (£193.80-194.16)  
New York: Comex \$375.75-376.25

## NORTH SEA OIL

Brent (Jan) ... \$28.80 bbl (\$30.70)  
Denotes latest trading price

## TOURIST RATES

Bank	Bank
Australia S	2.58
Austria Sch	21.25
Belgium F	22.36
Canada C	2.25
Denmark Kr	11.62
Finland Mk	10.13
France F	6.55
Germany DM	3.01
Greece Dr	19.36
Hong Kong	15.55
Ireland P	1.135
Italy Lira	2270
Japan Yen	274
Netherlands Gld	3.38
Norway Kr	11.82
Portugal Esc	200.48
Spain Ptas	166.64
Sweden Kr	11.82
Switzerland Fr	2.48
Turkey Lira	5750
USA \$	2.01
Yugoslavia Dnr	33.00

Notes for small denomination bank only as issued by Bankers Bank PLC. Different rates apply to travellers' cheques.  
Retail Price Index: 130.3 (October)

## Power float investors face disappointment

By MARTIN WALLER

THE estimated 6 million people who have applied for shares in the 12 regional electricity distributors are likely to have their applications heavily scaled back, although they can expect up to 40 per cent profit on the shares they receive.

The latest indications are that only those applying for a few hundred shares in their own area company can be certain of receiving the full number they requested, but unofficial grey market dealings in the shares are indicating they will start trading at between 132p and 139p.

John Wakeham, the energy secretary, said as the offer closed he was confident the 12 would be oversubscribed. By Monday night more than 3 million applications had been processed, and this is widely expected to double once the late rush is counted.

The offer is structured so that such a massive retail investor demand will mean some of the institutions' allotment is clawed back.

That clawback is in two stages. The first, reducing

overseas' investors' entitlement from 20 per cent to 15 per cent and raising the British public's share to 40 per cent, was triggered yesterday.

News of the second, which will boost the public's share to 55 per cent at the expense of British institutions, is regarded as a formality and will be announced today.

The amounts each investor receives and basis of allocations will not be known until Monday. Dealings begin on the stock market on Tuesday. The latest forecast of companies heading for the highest oversubscription singles out Seaboard, Eastern, South West and Norweb.

Areas receiving the largest number of applications are Eastern and Southern, reflecting the size of the populations, matched by the size of the companies. But float advisers stressed this may change when all the applications are processed.

The "stags" who traditionally apply late are more likely to go for the industrially biased boards like Manweb, Yorkshire and South Wales, which have been tipped for the highest premiums, so redress-

ing the balance. It appears people are spreading their investments rather than putting huge sums on just one company. The average investment is still not much above £500 per-paid, or 500 shares.

Prices jumped during the day on the unofficial grey market run by IG Index, the financial bookmaker, as the size of the oversubscription became apparent. The prices have now advanced by 10p since dealings started on impact day, November 21. The lowest, Eastern, is at 132p, while Northern is at 139p.

Comment, page 27



Power full: Energy secretary John Wakeham calls time on late arrivals at Lloyds Bank Cheapside yesterday

## Greener inside for stags dreaming of quick bucks

THE nice lady from the Green Party was outside Lloyds Bank, handing out leaflets extolling the money-saving virtues of energy-efficient light bulbs. She did not have many takers, because inside the bank the government was handing out real money (Martin Waller writes).

That at least was the perception of the thousands of people queuing at

two City receiving banks to hand in their applications for energy shares. The doors at Lloyds, off Cheapside, were formally closed by John Wakeham at 10am yesterday, or rather a few minutes after, due to the weight of people trying to enter.

Mr Wakeham hailed the flotation of the 12 electricity distribution companies in England and Wales as "the

best privatisation ever". Even before doors closed, those advising the float were confident all 12 would be heavily oversubscribed. Those in the queues, which traditionally attract "stags" keen on an immediate killing, were of the same mind as Mr Wakeham and already counting profits. "A good stags' opportunity" and "a quick buck" was the public's perception of

the government's latest venture into popular capitalism.

Spotted in the queue were a highly rated City electricity analyst, a Conservative MP, a normally left-leaning BBC journalist who at the least had the grace to look sheepish, and the traditional babe-in-arms, who looks set for a healthy christening present.

## Art collection sales boost Saatchi profits

By MATTHEW BOND

CHARLES Saatchi's collection of modern art is proving a much needed source of profits at Saatchi & Saatchi, the troubled advertising group.

Sales from the group's collection, which is separate from Mr Saatchi's personal collection, contributed £6.3 million to pre-tax profits in the year to September. The art collection profits were taken as part of exceptional items, to be set against rationalisation costs and property provisions of £6.5 million.

The £200,000 net debt reduced pre-tax profits to £35.6 million, a 63 per cent increase on 1989 when profits were hit by restructuring costs taken above the line. How-

ever, losses made on the disposal of the group's American subsidiaries, and write downs of the value of New York property, resulted in an after tax loss of £98.2 million (£58.5 million loss).

As previously announced, the company has paid no interim or final dividend on its ordinary shares or on its domestic preference share issue. Paying the dividend on the Euroconvertible cost the company £28.5 million. The next dividend on the Euro-issue is due in July. After rallying initially, Saatchi shares closed 3p down at 34p.

Robert Louis-Dreyfus, chief executive, said he was pleased with the progress the company

had made since he arrived last October. "I think we have our cash flow problem well in hand. But we still have a weak balance sheet," he said.

The biggest weakness is the £212 million Euroconvertible preference issue. Yesterday, there was no news on the proposed restructuring of the issue, which, due to a put option exercisable in July 1993, threatens to undo all the progress M Louis-Dreyfus has made.

S G Warburg and Donaldson, Lufkin & Jenrette have been appointed to find with a solution that satisfies Saatchi, its ordinary shareholders and the Eurobond holders.

At the year end, the company had on-balance sheet debt of £211 million, but this had since dropped to about £189 million. The amount payable under earn outs has fallen from £119 million to £47 million.

M Louis-Dreyfus said the £76.9 million of extraordinary items would be the last such costs. Losses on the completed consultancy disposals, and provisions for the two disposals remaining, were £48 million.

There was also £22.9 million of property provisions. Following the restructuring of its American operations, the company had 250,000 sq ft of surplus offices in New York. These have been written down to rock bottom value, M Louis-Dreyfus said. Saatchi is believed to have attempted to include this surplus property in a package that would have resulted in it relocating its London operation to Canary Wharf, the Docklands development being built by Olympia & York.

During the year, trading profits in Britain almost halved to £7.8 million, while profits from its non-American and non-European overseas businesses fell more than 70 per cent to £2.7 million. In America, trading profits rose 12 per cent to £32.3 million. European profits rose 25 per cent to £20.3 million.

## Eurotunnel registers £530m rights success as investors take up 84%

By GRAHAM SEARJEANT, FINANCIAL EDITOR

EUROTUNNEL scored a success with its £530 million rights issue in Britain, where 84 per cent of the registered share units offered were taken up by nearly 73,000 investors.

The final outcome will not be known until December 14, when the take-up of the French issue of bearer shares, which make up 58 per cent of the total, is added up.

Existing Eurotunnel shares, which have traded below 320p in recent days, jumped 23p to 368p in response. Until shortly before the issue closed on Monday, there had been fears that it could fail, even though the rights had never traded much below the equivalent of 25p a share.

Warburg Securities, broker

to the issue, was able to place the remaining 13 million registered shares from the British issue with City institutions through the stock market at 345p (less 0.7p expenses), a unique 21 per cent premium to the 285p rights issue price.

Alastair Morton, Eurotunnel's chief executive, said he was delighted with the result of the issue, which is designed to complete the funding of the tunnel to its planned opening in 1993.

Underwriters, who were paid 2 1/2 per cent, were not called upon to take up any of the 84 million new registered share units sold in Britain. The £7.8 million surplus raised through the placing will be distributed among existing

shareholders who did not take up their rights. Fears that the issue could fail arose because relatively few cheques were sent by investors until the final days of the offer and because there was relatively little trading in the rights.

Rory Macnamara of Morgan Grenfell, adviser to the issue, said it was as yet impossible to tell how many of the subscribers were new investors, but that it looked as though at least two thirds may have been original investors.

If that is true, at least half of the original 100,000 British investors will have taken up their rights. Underwriters on the French issue, who were paid 2 1/2 per

cent commission, stand to make a large profit if that part of the issue proves to be as successful, because the issue was made under completely different arrangements in France.

Rights to the French bearer shares were not sold separately as they were in London. Underwriters will take up any shares not subscribed and any surplus over the equivalent issue price of 285p will go to them.

The underwriting was split equally between British and French underwriting syndicates, although, due to the different sizes of the issues, British sub-underwriters will share in any surplus on the bearer share issue.

## Bass gives warning on trading

By OUR CITY STAFF

BASS, Britain's biggest brewer, has given warning of difficult trading conditions in most of its businesses, which include pubs, restaurants, hotels and betting shops, in the first two months of its financial year.

Full-year figures showed pre-tax profits ahead from £465 million to £535 million in the 12 months to end-September. A final dividend of 23.4p makes a total raised from 28.2p to 32.4p.

Despite the warning, Bass shares jumped 27p to 1,022p on the news.

Bass is planning up to 1,000 job losses, among its 100,000 workforce as a result of the Monopolies and Mergers Commission report into the brewing industry, which has required it to sell or lease 2,650 of its 7,400 public houses and other outlets.

Bass has taken a £108 million extraordinary loss into the figures from the expected disposals and restructuring.

Temps, page 27

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## Back to the future to beat Japan

By GILLIAN BOWDITCH

THERE are few areas of technology in which the Europeans can claim to have stolen a march on the Japanese, but according to the Swiss, watch-making is one.

Ernst Thomke, executive vice president of SMH Swiss Corporation, which owns Omega watches, takes great delight in introducing his new baby, an £11,300 watch, to the Japanese. Until recently the biggest makers of watches in the world. The Swiss have recaptured the wrist-watch market and are outselling the Japanese by 100 per cent.

"The Japanese got too greedy," says Mr Thomke, with only a hint of irony. Mr Thomke, the man who invented the Swatch, is in London to promote

Omega's new range of Louis Brandt men's watches, which sell for between £2,000 and £11,300.

The collection, which has taken three years to develop, has been on sale at Watches of Switzerland in Bond Street for a week. Four watches have already been sold.

"You are having a recession, no?" says Mr Thomke. It is not a concept he is familiar with. The watches sold out in two hours in Zurich after the first advertisement appeared in the press. One reason may be that the Louis Brandt watch does not have to be adjusted until February 28, 2100.

With the Louis Brandt collection, Mr Thomke is taking the Omega brand back to the leading market position it enjoyed in the Fifties. He calls it "back to the

future". "We are managing a business our grandfathers built and our fathers destroyed," says Mr Thomke, who has cut the Omega collection of 4,000 watches to 200.

He has high hopes for a timely success in the British market, hoping to sell between 50 and 100 Louis Brandt watches each year.

"The English like tradition. Anyone who has a Rolls-Royce can afford a Louis Brandt watch," says Mr Thomke, who wears one himself on his left wrist. His right wrist boasts a Swatch.

But Mr Thomke faces stiff competition. Today, the most expensive watch in the world goes on sale at Asprey's. The Blancpain costs £400,000 and only ten are made each year.



# IBM to relocate division HQ to Britain

By PHILIP BASSETT  
INDUSTRIAL EDITOR

IBM, the world's largest computer company, is to move its Communications Systems (CS) headquarters from America to Britain.

The move, which was welcomed yesterday by Peter Lilley, the trade and industry secretary, is in response to the opening of European markets in 1992, and could have considerable implications for the British telecommunications industry.

The relocation of CS from Somers, New York, to a site near London represents the first move of an IBM division's headquarters from America.

IBM said the move was influenced by the "pioneering" changes in the British telecommunications sector, including the privatisation of British Telecom and the

review by the government of the telecommunications duopoly.

The decision is likely to be seized by ministers and industrialists as a vote of confidence in British business and industry, at a time when economic surveys are charting a recession.

IBM announced the relocation at a press conference in London, transmitted live by satellite television to IBM sites around the world.

The CS division, which is responsible for developing inter-computer networking products and services, is one of IBM's six international businesses. Others include its personal computer and mainframe businesses.

The move reflects IBM's belief that the computer and telecommunications industries are becoming increasingly international, and indicates IBM's commitment to a computer standard called OSI, in

which Europe is leading and which IBM is adopting.

John Akers, IBM chairman, said the decision positioned the company "to capitalise on expanding business opportunities in a unified Europe and around the world, and will help us better meet our customers' global networking requirements".

IBM, which already manufactures in six European countries, including Britain, said Europe's progress and potential had never been more evident than now.

David McKinney, chairman of IBM Europe, emphasised the steps taken in Britain, including "landmark initiatives at the national level, such as the privatisation of British Telecom, and now the host of new recommendations contained in the UK government's paper on the duopoly review".

Tony Cleaver, IBM UK chairman, said that such steps had turned Britain into one of the most advanced telecommunications nations in Europe. "IBM welcomes the promotion of competition in this way, because that intensifying competition is leading and will lead to a further acceleration in the development of the UK and European telecommunications industries."

IBM employs about 18,000 people in Britain. The CS move will create only about 120 jobs, 50 of which will be filled by employees transferring from New York.

Ellen Hancock, an IBM vice-president and CS division general manager, who will head the new British operation, said that network communications were now the core of IBM's business.

The move was good for Europe, good for IBM and good for the company's customers.

Mr Lilley said that IBM's first transfer of corporate responsibility outside America carried extensive implications for British telecommunications.

He said: "I believe that one of the main reasons IBM decided to relocate to London is the government's policies to liberalise and deregulate telecommunications. 'The government is committed to providing a vigorous and innovative telecommunications market in the UK. My recent proposals in the telecommunications duopoly review will, I believe, achieve this. This move, by one of the major international companies, signals that Britain could well become the telecommunications hub of this hemisphere.'"

He said the move would enable IBM to compete effectively in the European single market, and was a tribute to the industry department's investment in Britain bureau.

## BUSINESS ROUNDUP

### Joint liquidators give Drexel creditors hope

MOST creditors of the British subsidiaries of Drexel Burnham Lambert, the failed American investment bank, should be paid in full, the joint liquidators said, but it could take up to ten years. So far, £200 million of assets has been realised.

Initial payments have been made from DBL Limited, the commodity company, and a 25p per £1 payment should soon be made from DBL Holdings, the UK holding company. Full payment depends on a lawsuit and payments from Drexel companies in America. Creditors of DBL Securities, the Eurobond trader, and DBL Trading, the foreign exchange and bullion subsidiary, should be paid in full.

### Pru-Bache for Procordia

PROCORDIA, the Swedish food and drugs group, has hired Prudential-Bache, the American investment bank, to seek cooperation partners and a new ownership structure for its hotel and restaurant businesses. Procordia said its Sara Hotels and Procordia Restaurants had an annual turnover of about £2.15 billion (£197.6 million).

### Stirling buys Fiona Rose

STIRLING Group, the maker of women's clothes that supplies Marks and Spencer, has acquired Fiona Rose, the designer of women's nightwear, for £1.95 million. Fiona Rose made pre-tax profits of £340,000 in the year to end-March, on sales of £4.5 million. The vendors are warranting pre-tax profits of at least £410,000 for the year to end-March 1991.

### Fosco payout possible

FOSECO, the specialty chemicals group contesting a £259 million bid from Burnham Castrol, has confirmed that the payment of a special dividend is "one of a number of possibilities under consideration" as part of its defence. A further announcement will be made before December 14.

The cash offer of 30p a share, which is final in the absence of a rival bid, closes on December 21. Fosco shares were unchanged at 29p, and Burnham Castrol acquired another 1.1 million shares, taking the company's shareholding to 22 per cent. Acceptances have been received for a further 1 per cent. Shares in Burnham Castrol rose 8p to 48p.

### US retailer goes east

FW Woolworth, the American retailer, is to reopen a store in east Germany nationalised 40 years ago by the communists. The shop, to be reopened on Thursday in Halle, in central Germany, was opened by Woolworth in 1933 but nationalised in 1950. The store, Woolworth's first in the new eastern Germany, employs 70.

### KPMG rises to \$5.4bn

KPMG, the international accountant that includes Peat Marwick McLintock in Britain, has bucked the trend among big international firms by achieving a 25 per cent rise in worldwide revenue to \$5.4 billion for the year to the end of September. KPMG is strong in Europe but still managed an 18 per cent rise in revenue from North America.

### Standard Life falls 8%

STANDARD Life, the largest British mutual life assurance company, reported worldwide new premiums of £1,723 million for the year to November 15. Last year's £1,787 million included a single premium transfer of £400 million, and the pensions business was boosted by the deadline for opting out of the state earnings-related pension scheme. This year's figures included the first full year of the Halifax Building Society as a tied agent of Standard Life. Total premium business in the UK was £1,214 million, a drop of 8 per cent, split between annual premium new business at £304 million and single premium business at £910 million.

## British Coal 'on course for £100m'

By ROSS TIEMAN, INDUSTRIAL CORRESPONDENT

BRITISH Coal is on course to make pre-tax profits of £100 million in the year to end-March, its best result for 13 years, according to Lord Haslam, the chairman.

He believed the corporation "will be a very saleable proposition", if the government carries out its intention to denationalise it. Cecil Parkinson, when energy secretary, pledged to sell British Coal in what he dubbed "the ultimate privatisation".

Lord Haslam, who retires at the end of the month, made his forecast in an "end of term" report. His successor has yet to be named. The energy department was "cutting things rather fine," he said.

The sharp improvement in the fortunes of British Coal has been achieved through a combination of debt reduction and cost cutting. The Coal Industry Act 1990 enabled the government to restructure British Coal's balance sheet, with write-offs of £6.7 billion.

The advance comes in spite of a squeeze on prices imposed by the three-year contract with its largest customers, the electricity generating companies, in the run-up to their

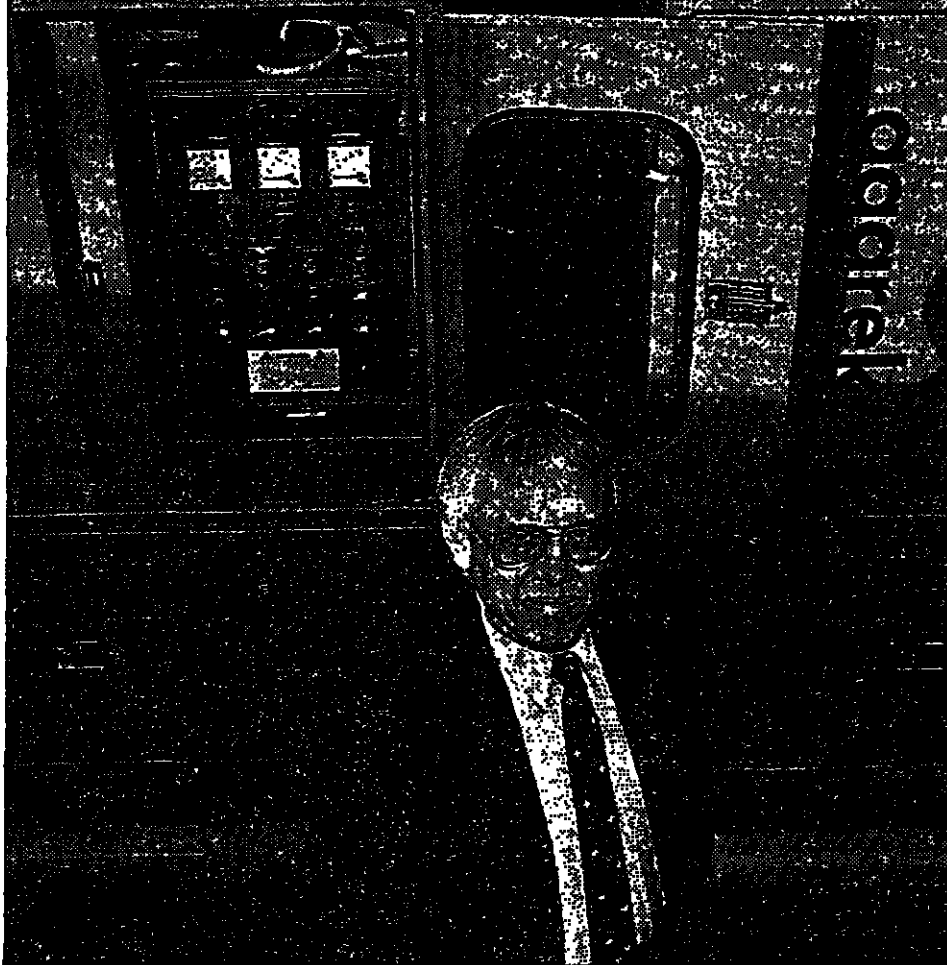
privatisation. British Coal has made an operating profit of £150 million during the first eight months of the current year, and Lord Haslam expects it to make another £100 million during the winter months, when demand is highest. Interest payments are expected to swallow £150 million of the operating profit.

However, Lord Haslam said: "What began as a social service has become a fully-fledged commercial operation." Thanks to a fundamental change in the attitude of the miners, industrial action was now rare. The leadership of the National Union of Mineworkers was "stuck in a time warp."

In a review of the future of coal, Lord Haslam suggested that other fuels would be hard-pressed to replace its importance in base-load power generation. He gave warning that large-scale imports of coal, contemplated by the generating companies, would leave them vulnerable to political upheavals abroad and currency fluctuations. He added that pressures for a barrier-free European power market might lead to new opportunities for British Coal.

## Power hire lifts Salvesen

JAMES MORGAN



Profit generator: Chris Masters, Salvesen's chief executive, at Aggreko's Scottish plant

CHRISTIAN Salvesen, the diversified food distribution and industrial services group, lifted pre-tax profits 10.4 per cent to £36 million in the six months to end-September.

Earnings rose 11.2 per cent to £6.6p a share and the interim dividend 10 per cent to 2.75p. The rise was almost entirely due to another strong performance by Aggreko, the power

hire business with substantial interests in America, which helped the specialist hire division lift trading profits to £11.2 million (£8.4 million). Tempus, page 27

## Avon falls to £10.6m for year

By PHILIP PANGALOS

AVON Rubber, the tyre-to-automotive components company, has suffered a 14.8 per cent decline in full-year profits after a downturn in defence business and difficult conditions in the European tyre industry.

Pre-tax profits slipped to £10.6 million in the year to September 29, although this was slightly ahead of market expectations. Turnover fell from £228.6 million to £224.8 million.

Earnings per share slumped from 42.6p to 30.8p, although the final dividend is held at 11.5p, making an unchanged 16.5p.

Tony Mitchell, the chief executive, said that trading profits from tyres, which account for 25 per cent of turnover, fell from £6.1 million to £4.9 million. Interest costs climbed from £4.68 million to £6.01 million.

Avon's industrial polymers division, which does about 25 per cent of its business in the defence sector, saw profits fall from £10.2 million to £7.9 million.

Mr Mitchell added that the current year is likely to be one of considerable uncertainty in the group's principal markets. However, he stressed that the group has entered the current year with lower stock levels, reflecting the drive to improve gearing, which was reduced from 58.6 to 55.7 per cent.

## Lamont urged to spur investment

By PHILIP BASSETT, INDUSTRIAL EDITOR

THE government should encourage companies and individuals to invest in industrial growth, the Engineering Employers' Federation says in its budget submission to Norman Lamont, the Chancellor.

The federation says economic growth will be critically dependent on increased investment in equipment, research and development and training, especially in the manufacturing sector.

In a letter to Mr Lamont, the federation says that while the Eighties saw a "vast increase" in the quality of manufacturing, it also saw a reduction in its size. Peter Brightman, federation director general, believes that "in consequence, the manufacturing sector is too small to be able to rectify the national trade deficit and support further growth of the UK economy".

The federation says its proposals are not calls for subsidies, but rather represent reductions of existing distortions of the tax system. It says that, because companies in the current economic climate will need to make economies to preserve their cash flows, including delaying or abandoning investment, it is important to keep cash-flow drain into taxation to a minimum.

The federation's proposed budget actions are therefore aimed at reducing the tax burden on companies which do invest, individuals who pay for their own training and people's personal savings.

The measures suggested include:  
□ An immediate improvement from 25 to at least 40 per cent per year in the depreciation allowance for plant and machinery.  
□ Tax relief on individuals' training expenses, including fees, travel and books.  
□ An annual tax-free allowance of £1,200 for individuals investing directly in British company shares.

## Geevor seeks to raise £2m in placing

GEEVOR, the mining group, plans to raise about £2.1 million, net of expenses, with a placing and open offer at 25p per share on the basis of 13 new shares for every 33 existing ordinary shares.

The proceeds will be used to buy Pinnacle Creek, an American coal recovery and reprocessing operation, to develop Geevor's Mainland Colliery in Cumbria and provide working capital. Geevor is buying Pinnacle Creek for about £2.76 million in cash, shares and the assumption of certain debts.

Over the ten year life of the operation, Pinnacle Creek, is expected to generate a net pre-tax cash flow.

## New IoD chief named



SIR Dermot de Trafford (left), former chief of Law & Bonar, the packaging group, has been appointed the new chairman of the Institute of Directors. He replaces Sir Adam Thomson, the erstwhile head of British Caledonian Airways, who becomes vice-president. Sir Dermot, aged 65, who has been a member of the institute for 35 years, served on its company affairs committee from 1981 and has been an IoD council member for the past three years.

## Property market remains 'stagnant'

## House price inflation up

By LINDSAY COOK, MONEY EDITOR

THE annual rate of house price inflation rose slightly in November. The 0.2 per cent year-on-year increase was the first recorded since February by the Halifax Building Society.

In October, prices had fallen 0.4 per cent compared with a year earlier.

But Gary Marsh, the head of group planning and research at the Halifax, said that although the society expected house prices to end-1990 slightly above last December's figure, the housing market was not yet recovering.

"It is a stagnant, flat market with volumes slightly down on last year, which was a very bad year," he said.

The society, the largest mortgage lender, has noted a limited pick-up in the market since the mortgage rate reduction at the beginning of last month. "Prices have been slightly stronger than expected, but there will be no

real recovery until there is another reduction in interest rates. This could encourage the market in time for the spring," Mr Marsh added.

Although prices have fallen 20 per cent and more in some areas of the Southeast and East Anglia since the peak in autumn 1988, the national annual inflation rate has not fallen by more than 2 per cent.

This is because property prices in the North and Scotland have remained buoyant, while they have fallen in the areas that experienced the largest increases between 1986 and 1988.

House prices fell 0.1 per cent during November but this was less than the fall last November and was down substantially on the 0.8 per cent drop between September and October.

The prices paid by first-time buyers slowed in November and were only 0.2 per cent higher than the previous month.

Over the year, new house purchases have fallen 2 per cent. In the year to September, the fall was 3.5 per cent. The average house price is now £67,323. New properties averaged £77,844 and first-time buyers paid £47,200.

The Halifax had predicted, until recently, that house prices would end the year in deficit. The Household Mortgage Corporation has also revised its house price forecasts and now estimates that the average house price in Britain will be £108,950 by 1995, rather than the £119,000 it forecast this summer.

Duncan Young, the managing director, said: "Being realistic, rates have been high for so long now that it will take a bit longer than we thought for the economy and the housing market to react when they start coming down."

## Cape aiming to resist recession

By OUR CITY STAFF

CAPE, the fire protection and building products group, saw its shares rise 13p to 181p yesterday after revealing pre-tax profits of £10 million (£8.4 million) for the six months to end-September.

Earnings were held to a 0.3p rise to 14p a share. Prior year tax losses from the mid-Eighties have largely been used up and the tax charge rose from 15p to 26p per cent. However, the half-year dividend will rise from 2.5p to 3p. Cape is 67.1 per cent owned by Charter Consolidated, the industrial holding group, which has the South African-linked Minorco as a majority shareholder.

High UK interest rates will, says Cape, continue to depress the main markets. It believes its net cash and overseas expansion can cushion the

company from recession. Cape says that building and architectural products suffered from difficult UK trading. The division still increased sales from £33.4 million to £39.9 million and profits from £6.3 million to £6.4 million.

In the industrial services division, profits rose from £2.4 million to £2.7 million on sales up from £43.6 million to £55 million. The increasingly competitive scaffolding and contracting services markets held profit margins back.

Cape says that the acquisition of the French Société Cape Contracts is already contributing to improved results. Cape East, the Middle East subsidiary, has suffered from the Gulf instability.

Interest receivable rose to £1.3 million (£1 million).

## COMPANIES IN BRIEF

**SAGE GROUP (Fin)**  
Pre-tax: £4.73m (£2.91m)  
EPS: 19.2p (12.5p)  
Div: 4.85p, mkg 7p

**JLI GROUP (Int)**  
Pre-tax: £957,000  
EPS: 3.4p (3.1p)  
Div: 1.43p (1.3p)

**ROWLINSON SECS (Int)**  
Pre-tax: £966,000 (£1.2m)  
EPS: 5.03p (6.27p)  
Div: 0.24p (0.24p)

**ALLEN (Int)**  
Pre-tax: £2.58m (£2.38m)  
EPS: 7.7p (7.7p)  
Div: 1.8p (1.6p)

**DRUMMOND GROUP (Int)**  
Pre-tax: Loss £550,000  
LPS: 9.27p (EPS: 2.44p)  
Div: 0.5p (1p)

**TAMS (JOHN) (Int)**  
Pre-tax: £1.17m  
EPS: 3.8p (2.88p)  
Div: 1.58p (1.38p)

**CASKET (Int)**  
Pre-tax: £27,000  
LPS: 0.08p (3.44p)  
Div: Nil

**NORTHERN INVESTORS**  
Pre-tax: £179,000  
EPS: 3.6p (4.3p)  
Div: 3p (nil)

**PODDINGTON (Fin)**  
Pre-tax: Loss £768,000  
LPS: 4.8p  
Div: Nil

Turnover grew to £13.4m (£9.3m). Operating margins increased to 30.5 per cent (29.4 per cent). Dividend 20 per cent up on notional figure.

Last time's profit was £881,000. Turnover advanced to £45.3m (£37.8m). Interest costs jumped to £964,000 (£477,000).

Company's rent roll has increased due to recent lettings and rent reviews. Gross rental income rose to £1.16m (£940,000).

Turnover climbed to £35.3m (£34m). Board is confident that the company will produce record results for the full year.

Last time's profit was £873,000. All group operations have good order books, with total orders currently at £23.5m.

Pre-tax loss of £1.89m last time. Turnover, at £39.4m (£31.8m), was affected by disposals.

Group hopes to pay a final dividend. Interim results. Last time's pre-tax surplus was £107,000. Net asset value a share 243p (£27.8p). Total income £378,000 (£294,000).

The loss is for 1989. Operating loss was £269,000. Exceptional write-off of £249,000 for cartoon development costs.

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The four big utilities have now all gone and so the British public is never again likely to be treated to the great share giveaway. Thank goodness for that. I would be willing to wager hard-earned salary that a substantial number of those who subscribed for shares in the electricity sell-off knew little of what they were buying. They did not know, nor care, whether their money was for power stations or high street showrooms.

Electricity has been marketed in such a way as to blur reality. It has been sold to the public not on the basis of what it is, nor even what it may become. Instead, the marketing campaign began with scenes from family life emphasising that electricity was "a good thing" and degenerated into a sales campaign based on some half-remembered American comedy series. The campaign, in terms of its relationship to what was actually being sold, was worse than the "Sid" campaign, but nevertheless, many millions of people have parted with billions of pounds.

They had, of course, no reason to know what was really on offer.

## Selling power to the people

### COMMENT

DAVID BREWERTON

What did it matter whether they were buying Sizewell B or Sidcup High Street, when all that was at stake was how much they were going to make?

When the City leaned on the Department of Energy to set the price low, the leadership of the country was in turmoil and the Gulf confrontation was every bit as serious as now. All the potential downside was written into the price and the market was free to ride the upside.

Frank might be uneducated in the finer points of the power industry, but he is not so silly as to miss the certainty of a quick profit. He is vindicated in a grey market premium approaching 40p a share.

The sale of electricity in that way does little, however, for wider share ownership and nothing at all for deeper share ownership, which is more important. There will be more shareholders than there were, but there will also be more share-

holders owning shares in just one or two companies.

The quick, electrically-generated profits imply that investment is a short-term business rather than a long-term relationship. Even in terms of politics, ownership spread as thinly is unlikely to change the voting habits of a generation.

Genuine progress towards a share-owning democracy, if that is a political ambition of the government, will not be helped by cheap share sales supported by meaningless (but admittedly catchy and effective) advertising.

Companies need to build relationships with their shareholders and it does neither the companies themselves, nor the status of the City, much credit

when their shares are given the status of gambling chips.

### To the point

Much more responsible, but none the less highly effective, was the campaign to market the rights issue in Eurotunnel. Investment in Eurotunnel is much more risky and potentially more exciting than ownership of a few hundred shares in the local electricity board.

The campaign concentrated on the physical progress being made by the borers beneath the waves, rather than jingles and special effects. Nobody can blame the company for the lucky

coincidence of the final breakthrough of the service tunnel coming in the middle of the rights issue. It was planned that way. Neither should we be too unhappy that the London Business School came up with some highly encouraging forecasts. At least Eurotunnel stuck to the point and, for that reason, its shareholders are more likely to stick to it.

### Easier oil

Since the outbreak of the Gulf troubles, the International Energy Agency has attempted to calm market fears by stressing that the West's thirst for oil could be satisfied by Opec nations, even after the loss of 4.5 million barrels of crude a day from Iraq and Kuwait.

In the days immediately after the invasion of Kuwait, this reassurance had little impact in the turbulent market. After all, the

IEA was established in the dark days of the first oil crisis of 1973 to counter the influence of Opec and its aim is to maintain stability in oil prices.

But even oil price bulls who were initially cynical about the IEA's soothing words are beginning to concede that the West is singularly well-placed to minimise the impact of a protracted economic embargo against Iraq and Kuwait and even the outbreak of war.

In its latest monthly report, the IEA estimates that oil stocks held by OECD countries have risen to a one-year high of 477 million tonnes, equivalent to 98 days' of forward consumption, five days more than in November, 1989.

Meanwhile, oil production by Opec reached 22.9 million barrels per day in November, making good all of the lost production from Iraq and Kuwait. OECD demand for oil is forecast to fall by 3 million barrels a day to 30.6 next spring, with the balance being satisfied by non-Opec producers including Britain and the United States. Thus the prospect of a physical shortage of oil is remote.

## A head of caution on full Bass measure

TEMPUS



Sounding a caution on profits: Ian Prosser of Bass

THERE are few signs out on the streets, as the Christmas season draws close, that people are drinking less, so it is presumably the returns from the restaurant and hotels businesses of Bass that occasion the caution accompanying the group's annual pint of good cheer.

The figures to end-September were at the top end of analysts' expectations, with pre-tax profits up from £465 million to £535 million, and the City was further encouraged by a bigger than forecast fall in borrowings, sending gearing back to 47 per cent.

But eyebrows were raised at an £85 million extraordinary profit from the sale of the Crest hotel chain set against £108 million costs from the monopolies and mergers commission-promoted reorganisation.

This last figure was well ahead of forecasts, suggesting Bass will need a serious clearout of its administrative echelons as it hives off the necessary 2,650 public houses required by the commission.

Bass has promised that profits from sales of public houses will be taken below the line. Normal run-of-the-mill property profits are likely to fall this year, and the warning from Ian Prosser, the chairman, has been taken as an indication that the 15 per cent pre-tax profits rise last year will not be repeated.

Forecasts are therefore for about £575 million this time. This puts the shares, up 27p to 1,022p yesterday, on a rating of less than 9, while they yield a prospective 4.7 per cent.

Mr Prosser's warning notwithstanding, the brewing sector can be expected to ride out the well the tough times ahead. Bass itself, with a widely diversified range of businesses and borrowings in America as protection against currency swings, should survive better than most. A firm hold at least, the shares should be bought on any weakness.

### Yorkshire Water

THE management of Yorkshire Water has inspired confidence from the start and shows no sign of faltering. The first-half pre-tax profit of £57.4 million, up 12.5 per cent on the pro forma for last year,

was slightly ahead of budget. This was almost entirely due to the successful control of operating costs, which rose by only 6.4 per cent, a particularly good performance in the transitional year.

That performance was partly due to a tight four-year electricity contract and savings on the uniform business rate as well as general efficiencies, more of which will come next year from the management restructuring. Yorkshire seems to have prepared for its

cent implied rise in the 5.9p interim dividend will not have disappointed, and points to a similar rise to about 17.7p for the full year, putting the shares, which rose 2p to 264p, on a fully paid 7.1 per cent yield.

That is marginally lower than the sector average, which still leaves this quality company relatively attractive and a good long-term holding. But the sector has had a good run and institutions may now turn to electricity.

### Salvesen

BETTER than expected interim results from Christian Salvesen sent the company's shares 5p higher to 164p, which was probably more than they deserved.

In current market conditions, a 10.4 per cent increase in pre-tax profits to £36 million and a dividend 10 per cent higher at 2.75p a share are creditable. But there was nothing in the underlying performance to indicate Salvesen is coping with the recession any better than its peers.

Distribution and manufacturing, Salvesen's traditional activities, did no more than maintain trading profits at £13.1 million and £12 million respectively. Only specialist hire, which is built around the resilient Aggreko power hire business, increased earnings from £8.4 million to £11.2 million, and this was not unexpected.

What surprised analysts was the unusually low interest charge of just £400,000, against £1.3 million, reflecting the transfer of international cash deposits into sterling to take advantage of higher domestic interest rates.

Much of the benefit will be offset by adverse exchange rate movements, which could clip £1 million off pre-tax profits during the second half, and another small increase in borrowings to fund capital expenditure of £100 million.

With distribution and manufacturing unlikely to recover this year, it would be unrealistic to anticipate taxable profits any higher than £66 million, against £62.1 million in the previous year, putting the shares on a p/e of 10. There is no need to chase them any higher.

## James seeks equity boost for Dan-Air

DAVID James, the new chairman of Dan-Air, is to seek new equity shareholders in an attempt to raise enough cash for the airline to expand its scheduled services.

Mr James, who is responsible for a number of company rescues, said yesterday: "I must refinance the group. Luckily I have amassed a sort of David James fan club in the City and I am talking to them about the possibility of issuing new shares, possibly as a rights issue which they would underwrite."

"This would give us a strong balance sheet which in turn would enable us to buy new equipment, expand our business class Elite service and improve airport check-in and handling facilities."

At present, 62 per cent of shares in Davies & Newman, Dan-Air's parent company, are held in trust by the two families, with a further 9 per cent being split between Caledonian Investments, Virgin and British Midland.

Mr James said: "That means that only 29 per cent of the shares are available on the open market, which leads to some wild fluctuations in value with only a small amount of trading."

"This is clearly no way to establish a stable publicly quoted company and I would like to see an expansion of the equityholders."

In the five weeks since Mr James took over Davies &

Newman with the help of a complex £30 million cash injection from the banks, confidence in the airline has returned.

Tour operators have booked long-term charters and there has been a sharp rise in the number of scheduled passengers.

While it had been expected that one of the first priorities of the new board would be to rename the airline and banish the poor Dan-Air image, complete with its diverse fleet of old and fuel-thirsty aircraft, Mr James said this would have cost £6 million and the

"I have not failed my backers yet and I am certain that I will not fail this time. This company is just not going to go away."

company had "other priorities in the short term".

Plans for a change of name have been shelved for at least a year while Mr James concentrates on taking the airline, which had run up losses and overdrafts of nearly £40 million and was on the point of financial collapse, back into the black.

He said: "My programme is very straightforward. First I have had to dig very deep trenches to ensure that we can withstand anything the economy can throw at us, including the possibility of a war in the Gulf."

"The next phase will be to get our heads back above the

parapet and begin to realign scheduled routes and expand the Elite class."

Apart from new equipment, Mr James is working on plans to gradually merge scheduled and charter operations, which had remained separate under Fred Newman, the former chairman. A number of less profitable routes are likely to be shed, while more popular ones will be expanded.

Dan-Air's fleet of 51 jets has been trimmed to 42, two of which are out on lease, with a further two to be disposed of soon. This reduction has concentrated on those aircraft

used for charter flights, bringing the number of seats available closer to demand from the tour operators.

Talks are being held with airlines around the world about possible marketing agreements in which Dan-Air would amend its timetable to provide inter-lining, or connection, facilities for international passengers arriving at Gatwick or Manchester.

An announcement is likely before Christmas about the sale of Dan-Air's engineering base at Gatwick. It is believed that a Cathay Pacific subsidiary that wanted to buy the base is no longer as interested, leaving a Danish firm favour-

ite to take it over. Mr James said: "We are now at the stage of highly detailed negotiations about the price we will have to pay for ensuring that our own fleet of aircraft is maintained at the base. We should be in a position to shake hands on the deal and to say something publicly about the future of the base within a month or so."

Hundreds of Dan-Air staff have resigned over the last few weeks because of the continuing uncertainty surrounding the airline. This has delayed the need for any immediate redundancies.

Mr James said: "I am not saying that there will be some, nor that there will not. I have explained to all the staff that we must reduce operating costs and the chances are that we will have to make some changes, but until things are a little clearer we will not know exactly how."

Mr James, a single man who is usually in his office by 6 am to juggle the many companies with which he is involved and rarely stops work before midnight, is adamant that Dan-Air has a future.

He said: "I have not failed my backers yet and I am certain that with the strong balance sheet we have now I will not fail this time. This company is just not going to go away."

HARVEY ELLIOTT  
Air Correspondent

## THE TIMES CITY DIARY

### Axe falls at County

SOME 48 hours after the redundancy axe has fallen at County NatWest Securities with 38 employees being called in one by one to be told that they had lost their jobs. They were told to clear their desks immediately. The most senior of the redundant workers, whose ages ranged from 21 to 45 years, was Ron Demega, hitherto head of the Japanese sales desk. With five of his colleagues, he fell victim to a decision to disband entirely the specialist team selling Japanese equities to UK institutions. "We did not believe that we would be in a position to make that operation profitable in the medium term," says chief executive Tim Ferguson. The Japanese derivatives team has however been retained and it will now also handle Japanese equities. The other job losses have largely come from UK, European and American sales and research but also include "one or two" from the trading floor and "one or two" from the back office. "We have been reviewing staffing levels constantly and the tougher times get, the more we will review to ensure that we don't have any surplus capacity," Ferguson adds. "We are reasonably bullish about 1991." But the firm will, he says, continue to recruit in certain areas and where there is an opportunity "to upgrade". "We have increased our market share considerably

in the UK this year and have been rewarded by the top institutions. We are keen not to lose that momentum."

### Streets ahead

IN THESE changing times, a directory of City analysts is certain to be out of date before it is even published. And any researcher brave enough to telephone firms to ask them to name their stars may be given short shrift. "Brokers who you are, what you are doing and why you want to know before they will tell you anything," says a spokesman for Streets Communications, the public relations consultancy, which has just published its first guide to analysts in the City. "Because of all the moving around of analysts, people are reluctant to give too much away at first." The guide lists analysts at most of the leading firms, with the exception of a few notables such as Goldman Sachs and Swiss Bank Corporation, which seemed more reluctant than most to provide details. Not to be outdone, rival PR firm Citigate Communications has written to 1,300 analysts with a view to updating its own directory, due out next year.

### Over quick

THE security men at 10 Downing Street will have a field day this morning when an unusually large parcel arrives for the prime minister. But inside the brown paper wrapper they will find nothing

more dangerous than a full set of cricketing gear, including pads, gloves and a bat. They are a gift from Norman Stoller, chairman of Seton Healthcare - floated on the main market in July and due to publish its first set of interim results next week - which owns the Open Championship brand, as endorsed by David Gower. The parcel has been preceded by a letter from Stoller, welcoming John Major "to the crease." Stoller's generosity was inspired by recent newspaper photographs of Major - who lists cricket and opera as his recreations in *Who's Who* - playing the game.

SOUTH Wales broker Celtic Asset Management is donating £1 to the Welsh League of Youth - for every application it has received from investors for electricity shares. An estimated 3,000 people are thought to have applied for shares through the firm.

### Bring 'em in alive

JOHN Sherriff, the senior investment manager at Laurentian Life, the Gloucester fund management group, was noticeably absent from a European strategy presentation given by David Roche in Morgan Stanley's City luncheon rooms on Tuesday. Sherriff, a Scot and bon vivant to boot, known to enjoy a free lunch, had accepted the invitation and travelled to London especially. But John Peat, an international salesman at Morgan Stanley, got to

the bottom of Sherriff's mysterious non-appearance when he met him for a comforting drink that night. He had, it seems, been caught up in a jewellery robbery in Jermyn Street. "Someone wearing a false moustache and beard had robbed a jewellery shop," explains Peat, "and two men tackled him and called for help." Solidly-built Sherriff, living up to his name, promptly rushed over and pinned the thief to the ground by sitting on his back and holding his arm in a vice-like grip. "He says he has never been so pleased to hear the sound of sirens," Peat adds.

NOTICE on the back of a slow-moving lorry spotted by a reader on London's Great West Road: "Overtake me - I'm on overtime."

### Green gauge

SPRINGTIME in Belgium next year will usher in not just green leaves but green petrol. All lead-free fuel will be coloured green by government decree, not just as a marketing ploy but as a means of stopping tax evasion. Filling stations are apparently robbing the Belgian treasury of huge sums by blending unleaded petrol with normal fuel, which carries higher Excise duties. Fraudsters have been clawing back some 15 per cent of the price of a litre by mixing the two. But motorists, at present unable to detect the pedigree of their petrol, will soon be able to do so by its colour.

CAROL LEONARD

# THE TIMES GUIDE TO 1992

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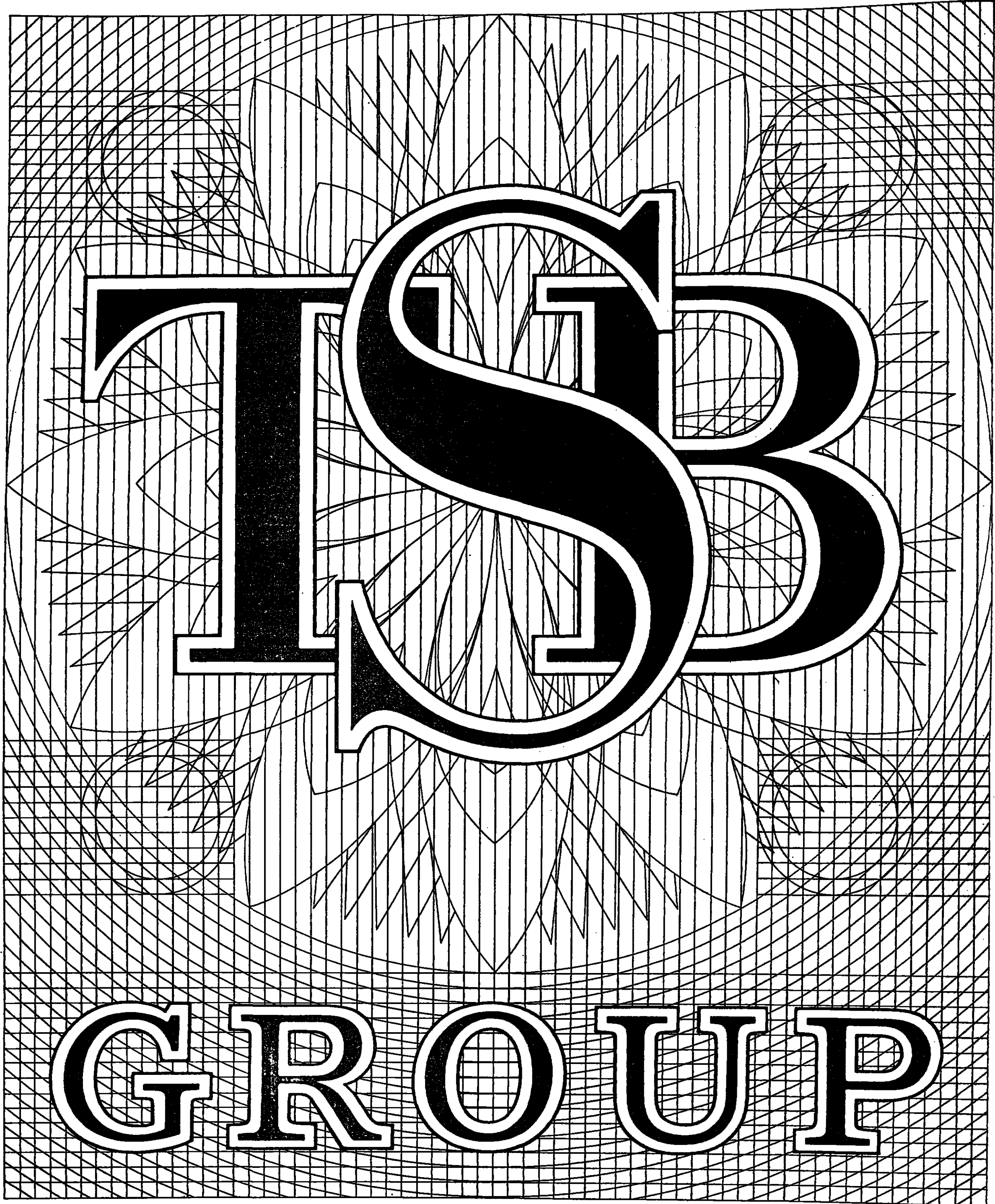
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PRESENTS FROM DECEMBER 7TH TO 24TH

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Platinum 950 18K

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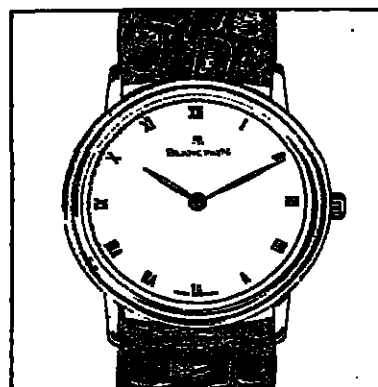
the ultra-slim watch  
the moon-phase watch  
the perpetual calendar  
the split-second chronograph  
the tourbillon  
the minute repeater

The company's master watchmakers have invested more than six years of their time to create this little masterpiece, expertly fashioning and assembling the nearly seven hundred individual parts of its impressively intricate 18 Kt gold movement. Only platinum, the king of metals, was deemed worthy of encasing this exceptional achievement. A formal notarized pledge sets a definitive limit of thirty to the number of platinum-case "1735" wrist watches that Blancpain will ever produce.

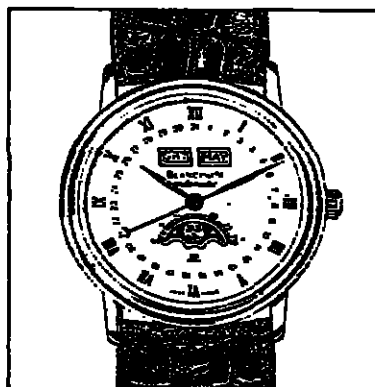
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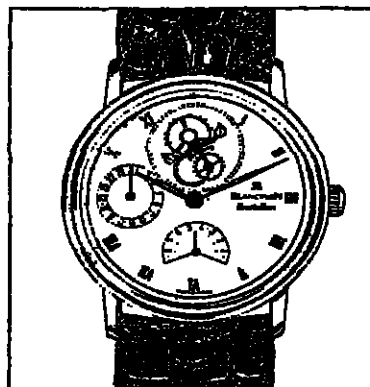
2. MOON-PHASE WATCH



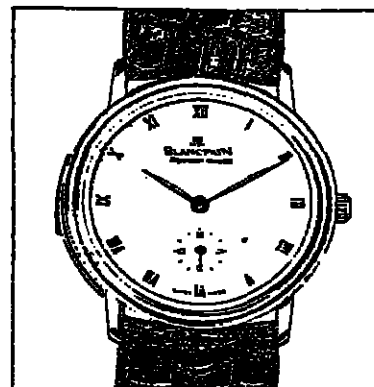
3. PERPETUAL CALENDAR



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## Portfolio

## PLATINUM

From your Portfolio Platinum card check your right share price movements on this page only. Add them up to give you your daily dividend figure. If it matches the figure on the card, you have won outright or a share of the daily prize money stated. If you win, follow the claim procedure on the back of your card. Always have your card available when claiming. Game rules appear on the back of your card.

No.	Company	Group	Code	Div
1	Guinness (sa)	Breweries	100	100
2	Part Foods	Food	100	100
3	GKN (sa)	Industrial E-K	100	100
4	Savoy Hotels (sa)	Hotels, Caterers	100	100
5	Glaxo (sa)	Pharmaceuticals	100	100
6	Thames & Mersey	Transport	100	100
7	BOC (sa)	Industrial A-D	100	100
8	Sainsbury	Food	100	100
9	Overseas Group	Industrial A-D	100	100
10	Berkley Group	Industrial A-D	100	100
11	MB-Candover (sa)	Industrial L-R	100	100
12	Tesco (sa)	Food	100	100
13	Tomkins	Industrial A-D	100	100
14	Q.P. Portland	Industrial A-D	100	100
15	Travellers H (sa)	Industrial A-D	100	100
16	AIM	Industrial A-D	100	100
17	Th. Polytechnic	Industrial A-D	100	100
18	Macklow (A&J)	Industrial A-D	100	100
19	Cray Elect	Electronics	100	100
20	McKee's	Industrial L-R	100	100
21	Allied Colloids	Chemicals, Plastics	100	100
22	Diploma	Industrial A-D	100	100
23	Newman Tons	Building, Roads	100	100
24	Leeds	Food	100	100
25	Leeds	Food	100	100
26	Hanson (sa)	Industrial E-K	100	100
27	Marlborough (sa)	Drugs, Stores	100	100
28	Time Products	Drugs, Stores	100	100
29	Mercy Docks	Transport	100	100
30	Calsonic	Transport	100	100
31	British Gas (sa)	Oil, Gas	100	100
32	North West	Water	100	100
33	Lure Group	Paper, Print, Ad	100	100
34	Smurfit (sa)	Paper, Print, Ad	100	100
35	Yorkshire Chem	Chemicals, Plastics	100	100
36	Capita	Industrial A-D	100	100
37	Unilever (sa)	Industrial A-D	100	100
38	Mounting	Property	100	100
39	Trinity Ltd	Newspapers, Pub	100	100
40	BAA (sa)	Transport	100	100
41	Calor Gas	Oil, Gas	100	100
42	Lucas (sa)	Motor, Aircraft	100	100
43	Mitel	Electronics	100	100
44	Polytype	Industrial L-R	100	100

Please take into account any minus signs

Weekly Dividend						
Please make a note of your daily totals for the weekly dividend of £4,000 in Saturday's newspaper.						
MON	TUE	WED	THU	FRI	SAT	TOTAL

The £2,000 Portfolio Platinum prize was won yesterday by Mr Mahendra Patel, of southwest London.

BRITISH FUNDS		
No.	Company	Price
1	100	100

SHORTS (Under Five Years)		
No.	Company	Price
1	100	100

FIVE TO FIFTEEN YEARS		
No.	Company	Price
1	100	100

OVER FIFTEEN YEARS		
No.	Company	Price
1	100	100

UNDATED		
No.	Company	Price
1	100	100

INDEX-LINKED		
No.	Company	Price
1	100	100

BANKS, DISCOUNT, HP		
No.	Company	Price
1	100	100

ELECTRICALS		
No.	Company	Price
1	100	100

## STOCK EXCHANGE PRICES

## Quietly firm

ACCOUNT DAYS: Dealings began November 19. Dealings end tomorrow. Contango day December 10. Settlement day December 17.

Forward bargains are permitted on two previous business days.

Prices recorded are at market close. Changes are calculated on the previous day's close, but adjustments are made when a stock is ex-dividend. Where one price is quoted, it is a middle price. Changes, yields and price/earnings ratios are based on middle prices. (sa) denotes Alpha Stocks.

(VOLUMES: PAGE 29)

No.	Company	Price	Change	Yield	P/E
1	100	100			

BREWERIES					
No.	Company	Price	Change	Yield	P/E
1	100	100			

BUILDING, ROADS					
No.	Company	Price	Change	Yield	P/E
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FINANCE, LAND					
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FINANCIAL TRUSTS					
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CHEMICALS, PLASTICS					
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HOTELS, CATERERS					
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## Portfolio

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1	100	100			

OVERSEAS TRADERS					
No.	Company	Price	Change	Yield	P/E
1	100	100			

PAPER, PRINT, ADVERTISING					
No.	Company	Price	Change	Yield	P/E
1	100	100			

PROPERTY					
No.	Company	Price	Change	Yield	P/E
1	100	100			

SHOES, LEATHER					
No.	Company	Price	Change	Yield	P/E
1	100	100			

TEXTILES					
No.	Company	Price	Change	Yield	P/E
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No.	Company	Price	Change	Yield	P/E
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TRANSPORT					
No.	Company	Price	Change	Yield	P/E
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OILS, GAS					
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1	100	100			

WATER					
No.	Company	Price	Change	Yield	P/E
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## FOREIGN EXCHANGES

Exchange Index compared with 1985 was same at 93.6 (day's range 93.5-93.8).				
STERLING SPOT AND FORWARD RATES			OTHER STERLING RATES	
Market rates for December 5				
	Range	Close	1 month	3 month
New York	1.0229-1.0230	1.0229-1.0230	0.94-0.951	2.55-2.48p
Montreal	2.25-43-2.2556	2.2342-2.2346	0.91-0.917	0.05-0.05p
Amsterdam	3.2304-3.2375	3.2324-3.2326	1.16-1.14p	3p
Frankfurt	1.0229-1.0230	1.0229-1.0230	0.94-0.951	2.55-2.48p
Capitall	11.0861-11.1351	11.0861-11.1111	3p	87-79p
Dublin	1.0357-1.0369	1.0357-1.0367	7p	79-70p
Geneva	2.2324-2.2326	2.2324-2.2326	0.91-0.917	0.05-0.05p
London	233.91-234.55	233.91-234.70	3p	3p
Madrid	184.1-185.18	184.1-185.18	4-13c	44-57c
Oslo	216.02-216.04	216.02-216.04	1p	1p
Cadex	11.2399-11.2357	11.2399-11.2418	24p	54-42c
Paris	9.7630-9.6150	9.7630-9.7785	31-31p	75-74p
Stockholm	20.2200-20.2200	20.2200-20.2200	1p	1p
Tokyo	256.78-259.78	256.78-259.84	3p	14-11p
Vienna	20.2200-20.2200	20.2200-20.2107	1p	1p
Zurich	2.4656-2.4657	2.4656-2.4661	9-14p	22-24p

OTHER STERLING RATES	
Argentina sterling	9654-9.8657
Australia sterling	2.01-2.0150
Bahrain dirham	2.01-2.0150
Brazil cruzeiro	260.25-261.50
Canada dollar	0.70-0.7050
France franc	6.9225-6.9225
Germany mark	2.4656-2.4657
Hong Kong dollar	15.0505-15.0505
India rupee	34.74-35.12
Indonesia rupiah	1600-1600
Italy lire	2.1910-2.1912
Malaysia ringgit	2.5100-2.5112
Mexico peso	1600-1600
Netherlands guilder	3.1611-3.1613
Spain peseta	166-166
Saudi Arabian riyal	2.4656-2.4657
Singapore dollar	2.3116-2.3120
South Africa rand	4.8500-4.8500
Switzerland franc	2.4656-2.4657
UAE dirham	2.4656-2.4657

Percent = p. Discount = c.

\*Loyds Bank rates. Rates supplied by Reuters.

## THIRD MARKET

## DOLLAR SPOT RATES

Ireland	1.7690-1.7835	Denmark	5.7650-5.7650	Italy	1127.0-1130.0
Singapore	1.7170-1.7190	Switzerland	1.4590-1.4590	Italy (Roman) (Jan)	103.0-103.5
Malaysia	2.8990-2.9000	Switzerland	1.2907-1.2914	Hong Kong	7.5025-7.5025
Thailand	1.7000-1.7020	Netherlands	1.7000-1.7000	Singapore	151.70-152.00
Canada	1.1890-1.1940	France	5.0725-5.0775	London	55.45-55.45
Sweden	8.6150-8.6250	Japan	174.935-174.45	Australia	16.50-16.52
Norway	5.9580-5.9590				

Rates supplied by Barclays Bank GTS and Citicorp

# MONEY MARKETS

### Interest Rates for Clearing Banks 14 Finance Has 15

#### Percent Market Loans %

Overnight High 14 1/2 Low 14 Finance Has 15

1 mth 14 1/2 3 mth 14 1/2 6 mth 14 1/2 12 mth 14 1/2

1 mth 14 1/2 3 mth 14 1/2 6 mth 14 1/2 12 mth 14 1/2

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## EURO MONEY DEPOSITS %

Current	7 1/2%	1 mth	8 1/2%	6 mth	9 1/2%
Dollar	7 1/2%	3 mth	8 3/4%	7 1/2%	7 1/2%
Cd 74-76					
Denmark	8 1/2%	8 1/2%	9 1/2%	9 1/2%	9 1/2%
Cd 81-77					
French Franc	10-10%	8 1/2%	10 1/2%	10 1/2%	10 1/2%
German Mark	8 1/2%	8 1/2%	9 1/2%	9 1/2%	9 1/2%
Swiss Franc	8 1/2%	8 1/2%	9 1/2%	9 1/2%	9 1/2%
Cd 8-7					
Cd 74-76					

## GOLD BULLION (Per ounce)

Open: \$375.00-\$377.20 Close: \$373.00-\$375.50  
High: \$378.00-\$378.10 Low: \$372.00-\$375.50

## GOLD COINS (Per ounce, Ex VAT)

Belgian: \$385.50-\$386.50 (\$200.00-201.00)  
Canadian: \$372.50-\$373.50 (\$150.00-150.10)  
French: \$375.50-\$376.50 (\$150.00-150.10)  
American Eagle: \$385.50-\$386.50 (\$200.00-201.00)  
American Eagle: \$385.50-\$386.50 (\$200.00-201.00)  
New Sovereigns: \$380.50-\$381.00 (\$145.75-47.25)  
Old Sovereigns: \$380.50-\$381.00 (\$145.75-47.25)

## PRECIOUS METALS

Platinum per kg: \$431.50 (\$228.55)  
Silver per kg: \$431.50 (\$228.55)  
Spot Silver per kg: \$431.50 (\$228.55)  
Rates supplied by BNP & Co.

### United Rate Sterling Offered Finance, Make-up day: Oct

1980, Agreed rates Nov 58, 1980 to Dec 25, 1980.

Reference: 15.00 per cent. December 15, 1980 per cent.

Reference rate Sept 29, 1980 to Oct 31, 1980.

Reference IV & V: 14.00 per cent.

	Open	High	Low	Close	Vol
2 100					
	2170.0	2185.0	2161.0	2183.0	4587

Previous open interest 27533

	Open	High	Low
Three month ECU			

95-01	2170.0	2185.0	Previous open interest	2783
95-01	2160.0	2180.0	Dec 10	86.00
95-01	2150.0	2170.0	Dec 10	86.00
95-01	2140.0	2160.0	Dec 10	86.00
95-01	2130.0	2150.0	Dec 10	86.00
95-01	2120.0	2140.0	Dec 10	86.00
95-01	2110.0	2130.0	Dec 10	86.00
95-01	2100.0	2120.0	Dec 10	86.00
95-01	2090.0	2110.0	Dec 10	86.00
95-01	2080.0	2100.0	Dec 10	86.00
95-01	2070.0	2090.0	Dec 10	86.00
95-01	2060.0	2080.0	Dec 10	86.00
95-01	2050.0	2070.0	Dec 10	86.00
95-01	2040.0	2060.0	Dec 10	86.00
95-01	2030.0	2050.0	Dec 10	86.00
95-01	2020.0	2040.0	Dec 10	86.00
95-01	2010.0	2030.0	Dec 10	86.00
95-01	2000.0	2020.0	Dec 10	86.00
95-01	1990.0	2010.0	Dec 10	86.00
95-01	1980.0	2000.0	Dec 10	86.00
95-01	1970.0	1990.0	Dec 10	86.00
95-01	1960.0	1980.0	Dec 10	86.00
95-01	1950.0	1970.0	Dec 10	86.00
95-01	1940.0	1960.0	Dec 10	86.00
95-01	1930.0	1950.0	Dec 10	86.00
95-01	1920.0	1940.0	Dec 10	86.00
95-01	1910.0	1930.0	Dec 10	86.00
95-01	1900.0	1920.0	Dec 10	86.00
95-01	1890.0	1910.0	Dec 10	86.00
95-01	1880.0	1900.0	Dec 10	86.00
95-01	1870.0	1890.0	Dec 10	86.00
95-01	1860.0	1880.0	Dec 10	86.00
95-01	1850.0	1870.0	Dec 10	86.00
95-01	1840.0	1860.0	Dec 10	86.00
95-01	1830.0	1850.0	Dec 10	86.00
95-01	1820.0	1840.0	Dec 10	86.00
95-01	1810.0	1830.0	Dec 10	86.00
95-01	1800.0	1820.0	Dec 10	86.00
95-01	1790.0	1810.0	Dec 10	86.00
95-01	1780.0	1800.0	Dec 10	86.00
95-01	1770.0	1790.0	Dec 10	86.00
95-01	1760.0	1780.0	Dec 10	86.00
95-01	1750.0	1770.0	Dec 10	86.00
95-01	1740.0	1760.0	Dec 10	86.00
95-01	1730.0	1750.0	Dec 10	86.00
95-01	1720.0	1740.0	Dec 10	86.00
95-01	1710.0	1730.0	Dec 10	86.00
95-01	1700.0	1720.0	Dec 10	86.00
95-01	1690.0	1710.0	Dec 10	86.00
95-01	1680.0	1700.0	Dec 10	86.00
95-01	1670.0	1690.0	Dec 10	86.00
95-01	1660.0	1680.0	Dec 10	86.00
95-01	1650.0	1670.0	Dec 10	86.00
95-01	1640.0	1660.0	Dec 10	86.00
95-01	1630.0	1650.0	Dec 10	86.00
95-01	1620.0	1640.0	Dec 10	86.00
95-01	1610.0	1630.0	Dec 10	86.00
95-01	1600.0	1620.0	Dec 10	86.00
95-01	1590.0	1610.0	Dec 10	86.00
95-01	1580.0	1600.0	Dec 10	86.00
95-01	1570.0	1590.0	Dec 10	86.00
95-01	1560.0	1580.0	Dec 10	86.00
95-01	1550.0	1570.0	Dec 10	86.00
95-01	1540.0	1560.0	Dec 10	86.00
95-01	1530.0	1550.0	Dec 10	86.00
95-01	1520.0	1540.0	Dec 10	86.00
95-01	1510.0	1530.0	Dec 10	86.00
95-01	1500.0	1520.0	Dec 10	86.00
95-01	1490.0	1510.0	Dec 10	86.00
95-01	1480.0	1500.0	Dec 10	86.00
95-01	1470.0	1490.0	Dec 10	86.00
95-01	1460.0	1480.0	Dec 10	86.00
95-01	1450.0	1470.0	Dec 10	86.00
95-01	1440.0	1460.0	Dec 10	86.00
95-01	1430.0	1450.0	Dec 10	86.00
95-01	1420.0	1440.0	Dec 10	86.00
95-01	1410.0	1430.0	Dec 10	86.00
95-01	1400.0	1420.0	Dec 10	86.00
95-01	1390.0	1410.0	Dec 10	86.00
95-01	1380.0	1400.0	Dec 10	86.00
95-01	1370.0	1390.0	Dec 10	86.00
95-01	1360.0	1380.0	Dec 10	86.00
95-01	1350.0	1370.0	Dec 10	86.00
95-01	1340.0	1360.0	Dec 10	86.00
95-01	1330.0	1350.0	Dec 10	86.00
95-01	1320.0	1340.0	Dec 10	86.00
95-01	1310.0	1330.0	Dec 10	86.00
95-01	1300.0	1320.0	Dec 10	86.00
95-01	1290.0	1310.0	Dec 10	86.00
95-01	1280.0	1300.0	Dec 10	86.00
95-01	1270.0	1290.0	Dec 10	86.00
95-01	1260.0	1280.0	Dec 10	86.00
95-01	1250.0	1270.0	Dec 10	86.00
95-01	1240.0	1260.0	Dec 10	86.00
95-01	1230.0	1250.0	Dec 10	86.00
95-01	1220.0	1240.0	Dec 10	86.00
95-01	1210.0	1230.0	Dec 10	86.00
95-01	1200.0	1220.0	Dec 10	86.00
95-01	1190.0	1210.0	Dec 10	86.00
95-01	1180.0	1200.0	Dec 10	86.00
95-01	1170.0	1190.0	Dec 10	86.00
95-01	1160.0	1180.0	Dec 10	86.00
95-01	1150.0	1170.0	Dec 10	86.00
95-01	1140.0	1160.0	Dec 10	86.00
95-01	1130.0	1150.0	Dec 10	86.00
95-01	1120.0	1140.0	Dec 10	86.00
95-01	1110.0	1130.0	Dec 10	86.00
95-01	1100.0	1120.0	Dec 10	86.00
95-01	1090.0	1110.0	Dec 10	86.00
95-01	1080.0	1100.0	Dec 10	86.00
95-01	1070.0	1090.0	Dec 10	86.00
95-01	1060.0	1080.0	Dec 10	86.00
95-01	1050.0	1070.0	Dec 10	86.00
95-01	1040.0	1060.0	Dec 10	86.00
95-01	1030.0	1050.0	Dec 10	86.00
95-01	1020.0	1040.0	Dec 10	86.00
95-01	1010.0	1030.0	Dec 10	86.00
95-01	1000.0	1020.0	Dec 10	86.00
95-01	990.0	1010.0	Dec 10	86.00
95-01	980.0	1000.0	Dec 10	86.00
95-01	970.0	990.0	Dec 10	86.00
95-01	960.0	980.0	Dec 10	86.00
95-01	950.0	970.0	Dec 10	86.00
95-01	940.0	960.0	Dec 10	86.00
95-01	930.0	950.0	Dec 10	86.00
95-01	920.0	940.0	Dec 10	86.00
95-01	910.0	930.0	Dec 10	86.00
95-01	900.0	920.0	Dec 10	86.00
95-01	890.0	910.0	Dec 10	86.00
95-01	880.0	900.0	Dec 10	86.00
95-01	870.0	890.0	Dec 10	86.00
95-01	860.0	880.0	Dec 10	86.00
95-01	850.0	870.0	Dec 10	86.00
95-01	840.0	860.0	Dec 10	86.00
95-01	830.0	850.0	Dec 10	86.00
95-01	820.0	840.0	Dec 10	86.00
95-01	810.0	830.0	Dec 10	86.00
95-01	800.0	820.0	Dec 10	86.00
95-01	790.0	810.0	Dec 10	86.00
95-01	780.0	800.0	Dec 10	86.00
95-01	770.0	790.0	Dec 10	86.00
95-01	760.0	780.0	Dec 10	86.00
95-01	750.0	770.0	Dec 10	86.00
95-01	740.0	760.0	Dec 10	86.00
95-01	730.0	750.0	Dec 10	86.00
95-01	720.0	740.0	Dec 10	86.00
95-01	710.0	730.0	Dec 10	86.00
95-01	700.0	720.0	Dec 10	86.00
95-01	690.0	710.0	Dec 10	86.00
95-01	680.0	700.0	Dec 10	86.00
95-01	670.0	690.0	Dec 10	86.00
95-01	660.0	680.0	Dec 10	86.00
95-01	650.0	670.0	Dec 10	86.00
95-01	640.0	660.0	Dec 10	86.00
95-01	630.0	650.0	Dec 10	86.00
95-01	620.0	640.0	Dec 10	86.00
95-01	610.0	630.0	Dec 10	86.00
95-01	600.0	620.0	Dec 10	86.00
95-01	590.0	610.0	Dec 10	86.00
95-01	580.0	600.0	Dec 10	86.00
95-01	570.0	590.0	Dec 10	86.00
95-01	560.0	580.0	Dec 10	86.00
95-01	550.0	570.0	Dec 10	86.00
95-01	540.0	560.0	Dec 10	86.00
95-01	530.0	550.0	Dec 10	86.00
95-01	520.0	540.0	Dec 10	86.00
95-01	510.0	530.0	Dec 10	86.00
95-01	500.0	520.0	Dec 10	86.00
95-01	490.0	510.0	Dec 10	86.00
95-01	480.0	500.0	Dec 10	86.00
95-01	470.0	490.0	Dec 10	86.00
95-01	460.0	480.0	Dec 10	86.00
95-01	450.0	470.0	Dec 10	86.00
95-01	440.0	460.0	Dec 10	86.00
95-01	430.0	450.0	Dec 10	86.00
95-01	420.0	440.0	Dec 10	86.00
95-01	410.0	430.0	Dec 10	86.00
95-01	400.0	420.0	Dec 10	86.00
95-01	390.0	410.0	Dec 10	86.00
95-01	380.0	400.0	Dec 10	86.00
95-01	370.0	390.0	Dec 10	86.00
95-01	360.0	380.0	Dec 10	86.00
95-01	350.0	370.0	Dec 10	86.00
95-01	340.0	360.0	Dec 10	86.00
95-01	330.0	350.0	Dec 10	86.00
95-01	320.0	340.0	Dec 10	86.00
95-01	310.0	330.0	Dec 10	86.00
95-01	300.0	320.0	Dec 10	86.00
95-01	290.0	310.0	Dec 10	86.00
95-01	280.0	300.0	Dec 10	86.00
95-01	270.0	290.0	Dec 10	86.00
95-01	260.0	280.0	Dec 10	86.00
95-01	250.0	270.0	Dec 10	86.00
95-01	240.0	260.0	Dec 10	86.00
95-01	230.0	250.0	Dec 10	86.00
95-01	220.0	240.0	Dec 10	86.00
95-01	210.0	230.0	Dec 10	86.00
95-01	200.0	220.0	Dec 10	86.00
95-01	190.0	210.0	Dec 10	86.00
95-01	180.0	200.0	Dec 10	86.00
95-01	170.0	190.0	Dec 10	86.00
95-01	160.0	180.0	Dec 10	86.00
95-01	150.0	170.0	Dec 10	86.00
95-01	140.0	160.0	Dec 10	86.00
95-01	130.0	150.0	Dec 10	86.00
95-01	120.0	140.0	Dec 10	86.00
95-01	110.0	130.0	Dec 10	86.00
95-01	100.0	120.0	Dec 10	86.00
95-01	90.0	110.0	Dec 10	86.00
95-01	80.0	100.0	Dec 10	86.00
95-01	70.0	90.0	Dec 10	86.00
95-01	60.0	80.0	Dec 10	86.00
95-01	50.0	70.0	Dec 10	86.00
95-01	40.0	60.0	Dec 10	86.00
95-01	30.0	50.0	Dec 10	86.00
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95-01	10.0	30.0	Dec 10	86.00
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هكذا من الاصل







# Turkey looks west for funds

After striving for years to build a stronger economy, Turkey's efforts are being set back by repercussions from the Gulf dispute, David Rudnick says

Turkey's economy was transformed during the Eighties under the stewardship of Turgut Özal, who, until his election as president a year ago, was the prime minister and head of the governing Motherland Party. Turkey has entered the mainstream of the western economy, and embraced its dominant free-market ethos. Interest rates have been freed, the currency has been floated, tariffs on most imports have been lowered and tax rebates for exporters removed.

A programme to privatise about 48 state enterprises, which the government admits has been slow to get off the ground, is reaching a critical stage. A campaign to spur growth through attracting foreign investment, sluggish until recently, is at last showing tentative signs of succeeding.

The confrontation in the Gulf raises a question mark over Turkey's future. Building contractors and road hauliers are already counting the cost of Turkey's break with Iraq, and general uncertainty is said to be holding up many investment decisions.

In October, to calculate losses from the conflict, the government ran an economic model. According to Dr Hasan Ersele, the director of research and planning at the Central Bank of Turkey, the model showed that in 1991 Turkey may expect to lose \$300 million (£150 million) in export revenue, but to cut import costs by as much as \$2.1 billion (£1 billion).

This startling latter figure is accounted for by a projected \$1.8 billion (£900 million) drop in oil imports resulting from higher prices. The model forecasts higher import prices generally. It sees inflation staying at about 50 per cent, and growth shrinking to less than 5 per cent.

"The way to compensate us,"



Avenue of ads: many economic observers say Turkey's banking sector is overcrowded, as this line of advertisements seems to show

Dr Ersele says, "is to open opportunities for us in export markets now subject to trade restrictions." This is a clear reference to the quotas imposed on Turkish exports, of textiles in particular.

However, although Dr Ersele, like most observers, sees the Gulf dispute as a complicating factor, Turkey's main problem is its persistently high inflation, fuelled by a soaring fiscal deficit.

Inflation, measured by the consumer price index, is running at 55 per cent, which is an improvement on the 68 per cent high reached in December, 1989, but a long way from the 30 per cent confidently predicted by government ministers for the end of this year. Combating inflation is the government's chief priority, and there is general agreement that success depends on forcing down the budget deficit.

Six months ago this represented 7 per cent of Turkey's gross domestic product (GDP). The deficit now stands at 8 per cent, and the treasury forecasts that it will reach 9 per cent by early next year. Parliament has yet to pass the 1991 budget, but it is based, Dr Ersele says, on the 9 per cent figure.

It is hoped that successful privatisations will greatly reduce public expenditure, raise needed revenue and so help control the budget deficit.

Growth is a healthy 8 per cent, well up on last year's feeble 1.7 per cent, but down from the roaring 10 per cent rate reached in July, when the economy was starting to overheat. Agricultural output has

current account is running at a rate of \$1.6 billion (£800 million) for 1990, but invisibles are performing well.

"Fortunately," Dr Ersele says, "Iraq attacked Kuwait after the peak season for tourist bookings. Had they done it in May, we would really have been in trouble." The longer-term future, should the conflict drag on to next

discussions from the expected decline in Germany's current account surplus next year, and the diversion of German investment from Turkey to eastern Germany. Much is hoped for from Japan, which Mr Özal, accompanied by leading economic figures, visited earlier this month. As for the United States, budgetary problems there make the outlook for further investment in Turkey less than rosy.

Turkey's economic health depends on bringing inflation down to European levels, and, for this to happen, more fiscal discipline is imperative. Dr Rüştü Saraoğlu, the governor of the central bank, would like to see "a government commitment to increase real tax revenues by half a per cent above the real GDP growth rate, and keep the real increase in government spending half a per cent below GDP growth".

If this were done, he says, the fiscal deficit would disappear in five years. To many Turkish observers, however, this will sound like a counsel of perfection, given widespread tax evasion and the likely calls on the public purse in the coming years.

**'The way to compensate us is to open opportunities for us in export markets that are now subject to trade restrictions'**

improved after last year's drought and is one reason for the expansion. Manufacturing investment is also said to be booming, despite high interest rates (60 per cent on the inter-bank overnight rate) brought about by the widening public deficit and the disappearance of the excess liquidity of a year ago.

Turkey's deficit in its external

summer, is far less reassuring, however.

Migrants' remittances, Turkey's other big invisible export earner, are seriously threatened by events in Germany, hitherto the El Dorado for Turkish emigrants. Germans from the east will replace Turks, although there is as yet no uncontrolled exodus. Dr Ersele expects more serious reper-

## CHANGE AND INNOVATION

### Europe as a model

Banking practices in Turkey are slowly being brought into line with those of EC countries

The Eighties were a decade of reform and restructuring for Turkish banks, to enable them to integrate and compete in the international arena. The coming decade should see further radical change and innovation as the banks adapt to their more challenging environment.

The Turkish Banks' Association reports that its members expect "turmoil in the domestic market similar to the Eighties". It believes that "the financial sector should comply with Economic Community norms like any other EC country", regardless of whether Turkey enters the EC (David Rudnick writes).

A large degree of market liberalisation has already been achieved. Interest rates on loans and deposits have been freed, as has the foreign exchange market. The Turkish lira is now fully convertible, and the central bank has the reserves to cope with the exchange-rate swings.

However, much of the state-regulated system remains. Turkish banks retain the German model of investing heavily in industry at the behest of the state, rather than just lending to it.

Burban Karacam, the general manager of the Yapi-Kredi Bank, is one of many who are disgruntled. "The investment returns reveal that they do not offer a very high yield," he says.

The banks also say the high level of reserves and liquidity requirements imposed on them by the central bank weakens their current assets. However, Rüştü Saraoğlu, the governor of the central bank, argues that "the average reserve requirement today is not very high at 13.7 per cent. I remember times when it was 33 per cent." The requirement has since dropped to 12.8 per cent.

There is also criticism that banks are legally obliged to hold excessive amounts of government paper (25 per cent) in their portfolio. Mr Saraoğlu says that part of these compulsory holdings are in "state debentures from which banks earn interest on market terms", but most bankers view this locking up of capital as an imposition.

The biggest issue facing the banks is capital adequacy. The government, pursuing its objective of aligning Turkey with

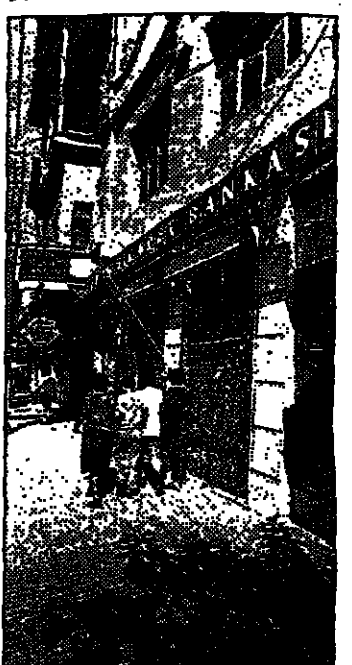
Europe, is insisting that the banks bring their capital adequacy, or risk-asset ratio, up to the minimum level of safety defined by the Bank for International Settlements, in Basle.

Many banks are being forced to liquidate assets to meet the new capital adequacy requirements, a trend that is undermining the link between banking and industry.

New capital adequacy requirements are also changing the criteria for assessing the banks' performance, emphasising asset quality, not volume of deposits.

Although Turkey looks grossly over-banked, the retail sector remains almost unexplored. Consumer credit, automated teller machines (ATMs), and credit cards face considerable expansion. The biggest banks, such as Ziraat and Akbank, have been slow to adopt these new facilities, while Yapi-Kredi leads the field.

The commercial sector, however, is overcrowded. The rise in foreign investment in Turkey is encouraging the growth of investment banks such as Türk Merchant Bank, as well as the launching of Morgan Stanley International's Turkey Fund, and the launching of Morgan Stanley International's Turkey Fund, and the launching of Morgan Stanley International's Turkey Fund, and the launching of Morgan Stanley International's Turkey Fund.



Turkish banks: adapting

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The cornerstone of Turkey's economy: textiles are by far the country's biggest export

## Tying up loose ends

During the past decade, Turkey's textile exports have erupted on to foreign markets, complicating already difficult relations with the European Community.

The sector is justifiably seen as a cornerstone of the Turkish economy. According to industry figures, in 1989 textiles contributed £1.7 billion towards the total export earnings of about £5.2 billion. The EC is the most important market, taking about 55 per cent, or £1 billion, of Turkey's textile exports: of that, Germany accounts for 55 per cent. In comparison, the United States imports a mere £150 million-worth.

However, the industry faces big problems. One is the protectionism in Turkey's export markets, particularly in the EC. Negotiations are under way in Brussels to raise import quotas, but Tuncer Ogun, the general secretary of Turkey's textile exporters' association, admits that "this year is an inconvenient time for us. The multi-fibre agreement is due to end next year, and since we do not know whether it will be extended, prospects are clouded."

An agreement with the EC that regulates sales of ready-made Turkish apparel also ends this year, Mr Ogun says, adding to the uncertainty. As much as 80 per cent of Turkish clothing exports is classed as sensitive, he says, including T-shirts, trousers, pullovers and blouses.

### Although textiles carry the economy, the sector is not without obstacles

Another, more recent problem is a loss of export-price competitiveness, because domestic inflation is driving prices up faster than the depreciating Turkish lira is keeping them down. To make matters worse, Turkish cotton prices have risen sharply, putting up yarn costs to fabric producers and fabric costs to clothing manufacturers.

"We do not feel the effect yet on export volumes," Mr Ogun says. "Our producers do not want to lose customers or market share, so they are not raising their prices. They could be forced up by next year."

Mr Ogun insists that the tougher exporting environment is not leading the industry to concentrate more on its domestic market. "Exports are still increasing at an annual rate of 15 to 20 per cent, and at least half the textile output is exported."

Other problems include the need for more investment in modern manufacturing equipment. The necessary investment has been held back by high borrowing costs, aggravated by inflation, and the lack of attention to new designs. "There is more

awareness now, but design consciousness remains weak," Mr Ogun says.

One company that uses modern production processes, and designs fabrics for Marks & Spencer, is Akin Tekstil. Ramazan Özgür, the general manager, says the company is keeping its export prices stable, and forecasts export sales of £8.5 million, or 30 per cent of its output, this year.

Fashion in Turkey, according to Mr Özgür, is shifting from cotton towards polyester and mixed fabrics. However, he does not think the trend will last. "Turkey is a warm country, and cotton is more practical, although they do not seem to understand that," he says.

Turkish textiles are starting to face domestic competition from low-cost east Asian suppliers. "This is unfair competition," Mr Özgür says, "since these exporters are subsidised, enabling them to undercut Turkish producers."

"True, Turkish workers earn less than their European counterparts," he says, "but inferior productivity and capital make the Turkish industry much more labour-intensive, therefore less competitive." Joint ventures with European partners are sought after, but rare. One took place last year with the merger of Bozkurt, one of Turkey's biggest fabric producers, with DMC, the French company.

DAVID RUDNICK

## The strong face of optimism

Andrew Mango interviews Turgut Özal, the president of Turkey, and finds a man confident of solutions

Turgut Özal, the president of Turkey, has three qualities that are essential in a successful politician: he is tireless, relaxed and optimistic. He sounds as if he has all the time in the world when speaking in the remarkably informal surroundings of the presidential palace on Çankaya hill, in Ankara. He was at home for one day between his return from the imperial ceremonies in Tokyo and his departure for the Paris conference.

He explains his conviction that the problems of Turkey, the Middle East and of the world at large are well on their way to a satisfactory solution.

True, the Gulf dispute has damaged Turkey. Exports to Iraq, its neighbour, and to Kuwait have ceased; so has transit trade. Oil prices have risen. Tourism has suffered, as Turkey is so near the war zone. Investors, cautious as ever, are waiting for the end of the dispute.

The moment the dispute is over, however, he believes Turkey's star will rise. It is the most stable country in the area. It will benefit from rising demand in neighbouring countries. It will be seen as an attractive place for foreign investments. And it will have more access to American and European markets.

A key issue is Turkey's application for full membership of the European Community. Mr Özal sees no disadvantage in the community's policy of proceeding initially with the establish-

ment of a customs union with Turkey by 1995, under the existing association agreement. However, it should be a full customs union, he says, guaranteeing a free circulation of goods and capital, with no derogations or quotas.

All it would exclude would be the free circulation of labour and Turkey's participation in the EC's political decision-making mechanism. That should come later. Mr Özal believes that Turkey's Gulf policy, and the leading part it is playing in bringing pressure to bear on Iraq, should have a favourable effect on the community's attitude.

Mr Özal is optimistic. "In my belief, the Gulf crisis will be completely solved in the first two months of next year." The embargo is bringing hard on Iraq, which is showing signs of softening its stance. Conditions will be much harder for it in two or three months, he says.

"I think if war became necessary in order to reach peace, everybody should accept it. Otherwise you will never achieve peace," he says.

However, even this year, Mr Özal sees no big problems for the Turkish economy. True, the external current account is in deficit after two years of surplus, but he believes that this deficit is more apparent than real, since Turkey's foreign exchange reserves are rising.

In any case, there is nothing wrong with a developing country running a reasonable



Waiting for Turkey's star to rise: President Turgut Özal

current account deficit. "Not too large, not too small, but reasonable and manageable."

Mr Özal believes that this year the growth rate of the Turkish economy will work out at 9 per cent; the provisional figure for the first six months is 10 per cent. By contrast, before 1980, when free-market policies were first introduced, whenever growth hit 7 per cent, Turkey experienced difficulties in its balance of payments.

Mr Özal compares Turkey's economic difficulties in 1980 with those currently in eastern Europe. "I don't say that a free

market and convertible currencies can be achieved by a 500-day programme. It will take much longer," he says. But Turkey has done it, and has respected the benefits. Before liberalisation, "we were buying electricity from Bulgaria. Now Bulgaria is buying it from us, and so too is the Soviet Union."

Mr Özal believes that were it not for the Gulf conflict, inflation would have been brought down to 40 per cent or less by the end of this year. The increase in the oil price will, he thinks, add 13 or 14 points to inflation. But next

year should be better, partly because oil prices are easing and partly because of central bank control over money.

What does he think about threats to internal political stability, including recent outbreaks of terrorism, and their effect on the Turkish economy? Mr Özal emphasises the dangers of exaggeration. It is true that in recent months 22 people have been killed by terrorists, but in the late Seventies the terrorist toll was 20 to 30 victims a day. Terrorism today is an international phenomenon, he says. In Turkey, it is now largely the work of a mafia into which formerly ideological terrorists have merged.

As for the threat of terrorism by Islamic fundamentalists, Mr Özal says this has been misunderstood by western intelligence agencies and that there is no fundamentalist danger in Turkey.

Fundamentalism, he says, like President Nasser's Arab socialism, is the product of poverty. In Turkey, conditions have improved in the past decade to the point where it is like a European country. Given that people now have access to almost all the possibilities available in Europe, that the shops are full, there is no reason for them to turn to fundamentalism.

Fundamentalism should be distinguished, however, from the revival of Islam. This matched Christian revival, such as that now occurring in the Soviet Union.

Mr Özal wants the constitution amended and a direct presidential election to coincide with parliamentary elections due no later than November 1992. This would shorten his present term, but he could stand for a second.

## Building contractors have been forced to find new markets

### Restructuring of an industry

The Iraqi invasion of Kuwait caught Turkish contractors unprepared. They were forced immediately to abandon sites and about 5,000 construction workers had to return from Kuwait and Iraq. Turkey's contractors' association estimates the financial loss at more than £250 million.

Libya remains a prime area of operations. The recent

jump in the price of oil, resulting from developments in the Gulf, lubricated Libya's ability to pay contractors more promptly and removed a former source of friction.

Sesai Türkes Feyzi Akkaya (STFA), one of Turkey's biggest contractors, has four contracts worth £36 million running in Libya, including the construction of a reservoir in connection with the great

man-made river project. At Guffra, STFA is building a new town, comprising a 1,500-unit housing development, with associated infrastructure, worth £100 million.

STFA says half of its work is coming from within Turkey and the rest from abroad. In normal times, a greater proportion would be coming from abroad. A company spokesman says: "Before the

invasion of Kuwait, business in the Gulf had wound down because of low oil prices. Then, within days, we had the good news and the bad news. On July 29, Opec raised the oil price from \$15 to \$21 a barrel. On August 2 came the Kuwaiti bombshell."

Other contractors are busy in the Soviet Union, where six projects worth a total of £500 billion are under way, including the building of hotels in the Caucasus and Black Sea resorts and a hospital in Moscow. Other avenues are being explored in eastern Europe and Southeast Asia.

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## Motors switch to fast lane

### Encouraging signs in the car industry

CAR ownership in Turkey is still confined to 3 per cent of the population, but the industry is growing fast (David Rudnick writes). According to the Automotive Manufacturers' Association (AMA), 160,000 cars were produced in the first ten months of this year, 40,000 more than the same period in 1989.

Imports are expected to account for 60,000-65,000 vehicles for 1990 as a whole, compared with 6,000 in 1989. Sales of commercial vehicles have shot up by 52 per cent, to nearly 2,000 between January and October this year.

Ali İhsan İlbahar, president of the AMA, ascribes the expansion to high economic growth in Turkey and a big reduction in import tariffs, down last year from 75 per cent to 32 per cent for most passenger cars. He estimates that Fiat, through its 41 per cent holding in Tofaş, is market leader with an annual output of around 85,000 vehicles. Renault is second with about 65,000, followed at some distance by Otosan (8,000), the company Mr İlbahar manages, in which Ford has a 30 per cent interest.

The Turkish government recently introduced incentives for new production lines with a capacity to produce a minimum of 100,000 cars annually. The measures allow for 100 per cent of new investment to be written off against tax, and the government will also provide up to 25 per cent of the equity capital, on condition that the plant is sited in an industrial development zone and is 80 per cent complete in five years.

Toyota is planning to invest up to £125 million in a joint venture with the Turkish Sabancı group (50 per cent) and Mitsu (10 per cent), with operations starting in 1993. Tofaş hopes to increase its capacity to 200,000 vehicles next year, and Renault is aiming at 100,000 by 1992.

On a smaller scale, General Motors last month started producing its Opel Vectra/Vauxhall Cavalier models, in a £12 million investment which is planned to reach a capacity of 10,000 cars a year by the end of 1991. Peugeot's plans for a joint venture with the Nadir group have had to be abandoned.



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## SPORTS LETTERS

## Weight not the sole criterion

From Mr Stephen E. R. Evans  
Sir, As a 15-year-old, medium-weight, prop forward, I read with interest the suggestions put forward by Mr George Crawford (Sports Letters, November 29) regarding the dangers of playing in the front row. Mr Crawford, despite his 20-year playing career, seems to believe that weight is the only criterion of a good prop forward. He claims that a 10st youngster will always beat one who is only 8st; if this were so, would David Sole be a world-class prop?

Although pure weight is one criterion, technique, aggression and strength are of equal importance. Many lighter props prefer pushing against very heavy ones as they find it easy to counteract weight with technique.

Naturally, the front row does carry danger, but this can be minimised if youngsters are taught the proper technical and safety requirements of these positions. A high tackle by a lightweight back carries just as much danger. Safety depends primarily on good technique, good refereeing and the game played in the right spirit. Mr Crawford's unwelcome gymnastics will not help.

Yours faithfully,  
S. E. R. EVANS,  
34 Tubenden Lane,  
Orrington,  
Kent.

## Amateur rules

From Mr Sean Enright  
Sir, Andy Rippon (December 4) rightly points out that there is still considerable confusion as to the precise circumstances in which rugby union players can receive payment arising from their association with the game. I write as a playing captain of an old boys' side (second XV) in the Surrey league third division. My players are most anxious to benefit financially from the recent redefinition of their ama-

## National identity

From Mr Bruce G. Grainger  
Sir, In the light of your report (November 27) about an offer by the European Community to subsidise European Olympic teams, if athletes display the EC 12-star motif on their kit at the 1992 Olympic Games, we are to infer that the EC wishes to see the amalgamation of EC sports federations and Olympic committees to produce one "United States of Europe" team for the 1996 Games?

Furthermore, we are to understand that the IOC would welcome such a European confederation since it already, apparently, regards the re-emergence of independent republics from the Soviet Union with apprehension?

In whose interests would the EC or the IOC imagine that they are working? It seems unlikely that the miscellaneous sports governing bodies of the European nations will welcome an amalgamation that would so

## Managers drive up golf fees

From Mr and Mrs M.A. Pomeroy  
Sir, As parents of a boy of similar age to the one who was seriously injured in the rugby match described by Mr Crawford, we were shocked and distressed to hear of the accident. We wholeheartedly agree with Mr Crawford when he says that "the risks should be reduced to the absolute minimum". While his proposals are undoubtedly sensible, surely there do not go far enough.

The great challenge for schoolboy rugby is to devise a version of the game which retains all the speed, skill, excitement and enjoyment that does away with the scrummage in its present form. What is needed, quite simply, is an alternative and safer means of restarting the game after a minor infringement.

There are many distinguished rugby-playing schools and there is no shortage of intellect and enthusiasm for the game amongst their staff and pupils. If this challenge could be met successfully, some long-lasting good would come from this sad incident.

Yours faithfully,  
M. POMEROY,  
31 D'Abernethy Drive,  
Stout D'Abernethy,  
Cobham,  
Surrey.

their status but they are equally keen to remain within the new rules. The trouble is no one seems able to give a coherent account of the new rules.

This is probably because the new rules are artificial and illogical - either we are amateurs or we are not.

Sincerely,  
SEAN ENRIGHT,  
7 Borough Road,  
Kingston upon Thames,  
Surrey.

considerably reduce the number of competitors at the Games. The international sports federations would not welcome any such change. Nor would it be consistent with the Olympic philosophy propounded by De Coubertin.

Should the European nations take a lesson from some of the former Eastern bloc territories and promote sporting independence and success as reasons of their national identities?

Could Mrs Thatcher find a new role guarding the interests of our national teams, and our national identity, as minister for sport?

Yours faithfully,  
BRUCE G. GRAINGER,  
2 Bosley Crescent,  
Wallingford,  
Oxfordshire.

Sports Letters may be sent by fax to 071-782 5046. They should include a daytime telephone number.

## Managers drive up golf fees

From Mr John Stout  
Sir, Nick Faldo's rather bullish comments on the subject of appearance money (November 28) may do little to enhance his public image, but, as I believe, perfectly fair, coming as they do, from a man who exited himself for two years only to re-emerge to reach the very top of his profession.

Rather than whinge about the superstars earning appearance money, the guilty party among the middle-ranking professionals on the PGA European Tour, have reason to thank the likes of Faldo and Ballesteros, whose active money has captured the media attention necessary to promote professional golf to an ever-growing international audience.

The sequence is that sponsors are clamouring to pour money into the sport all over Europe causing amongst other effects, prize-money on

the tour to have increased by nearly 300 per cent in the past few years alone.

When the United States lost the 1987 Ryder Cup match, Jack Nicklaus observed that US Tour professionals were getting "sooried". They were losing the winning habit because they could earn more than a comfortable living on the US Tour without ever coming close to a win. Surely we would not want that to happen to our boys.

The one hole in Faldo's somewhat simplistic "who dares, wins" philosophy is that appearance fees are being driven up, not by the achievements of the superstars, but by their managers, whose primary motivation is their company's bank balance rather than the good of the player.

The situation is that some occasions, their clients

From Mr Peter Murdoch  
Sir, How right is Mr R. V. Taylor (Sports Letters, November 29) to object to the term Ashes used in referring to sport between England and Australia other than cricket.

I am sorry to report that my grandfather, W. L. Murdoch, died on 29 October at his home, 45 Kensal Green Cemetery.

Yours faithfully,  
PETER MURDOCH,  
5 Portland Road, W1.

From Mr R. Hayes  
Sir, My ten-year-old son had been watching the third Great Britain v Australia rugby league match after which he asked me: "What are the Ashes?"

When I had explained their origin, a big grin spread across his face. His next question (this tone of voice suggested I was mad) was: "What have cricket stumps to do with rugby?" After that I had great difficulty convincing him that the commentator was incorrect in referring to the Ashes in any other sport but cricket.

Yours sincerely,  
R. HAYES,  
42 Arnold Crescent,  
London, N16 6JN,  
Leicestershire.

A different code

From Mr Keith Adamson  
Sir, I sincerely hope that Graham Taylor is not under any misapprehension about the qualities and talents of his scouts, Ken Purphy, Keith Burkinshaw and George Aitken (report, December 5). None were managers of Worthington, having been Steve Davis in the semi-finals. Considering his ability, a record of roughly one title a season is poor going, but only in recent years has "White" been a good bet.

White begins his campaign for the £100,000 first prize in a second-round match on Saturday against Gary Wilkinson or Mike Hallett.

White said: "I haven't performed to my highest level since last year's match with Steve Davis, but I'm as good as Hendry and Davis, if not better."

"For quite a while people have been saying Jimmy White is the best player never to have won the world championship. It's never bothered me before but now it's getting to me and I'm starting to think about it."

"I know everyone is saying that Hendry and Davis are the favourites but they're not in my half of the draw. I honestly believe I am world champion and world No. 1."

TODAY'S ORDER OF PLAY: First round (best of 17 frames, sessions at 1pm and 7pm) H. Snodgrass (Eng) v D. Nott (Eng) 0-0; M. Hallett (Eng) v G. M. King (Eng).

## Racing solution

From Mr Michael Kettle  
Sir, There would appear to be a simple answer to many of the ills of British racing.

An act of Parliament could give the Jockey Club a monopoly on all off-course and on-course betting. The existing bookmakers could then become agents of the Jockey Club, on terms to be agreed.

Yours faithfully,  
MICHAEL KETTLE,  
11 Featherbed Lane,  
Kingston upon Thames, Surrey.

## Ashes to ashes

From Mr J. D. Del-Rivo  
Sir, Why should not Lamb and Cowley visit a casino, one wonders, even if a match be in progress at the time (report, November 30)? But the fact that they were the guests of Mr Packer fills one with foreboding.

Sincerely,  
J. D. DEL-RIVO,  
Wenlock, Wenham,  
Halesworth, Suffolk.

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## Bookmaking report endorses gloomy finance predictions

## Betting turnover to plunge

By RICHARD EVANS

## BOOKMAKERS' LEVY YIELD

Financial year	Levy £ million	Per cent income	Retail Price governed by RPI	Index	Increase if RPI
1980-81	16,350	-	+10.4%	-	18,050
1981-82	16,363	+4%	+12%	-	18,880
1982-83	18,000	+12%	+5.2%	-	19,862
1983-84	18,442	-3%	+6.1%	-	21,073
1984-85	20,031	+9%	+4.2%	-	22,638
1985-86	20,795	+4%	+4.0%	-	22,634
1986-87	24,341	+17%	+3.5%	-	23,632
1987-88	27,367	+12%	+7.9%	-	25,522
1988-89	33,257	+18%	+8.1%	-	27,565
1989-90	35,300	+6%	-	-	-

Total £232,396  
Total increased from £16,350,000 in 1980-81 to £35,300,000 in 1989-90.  
Total raised is 16 per cent more than RPI over same period.

close because, in general, they have lower profit margins than high turnover shops.

The worrying statistics were presented to the Commons all-party racing and bloodstock industries committee this week by Len Cowburn, chairman of the Bookmakers' Committee.

With the Levy Board already having to introduce cutbacks because of a shortfall in anticipated revenue, the NERA predictions can only add to its troubles.

Rodney Brack, director of finance at the Levy Board, said yesterday: "It is very worrying and it is exercising our minds very considerably."

The Levy Board was concerned that the NERA forecasts could undermine projections that £41.53 million in levy will accrue from an estimated £4.54 billion

betting turnover during the 30th levy scheme covering 1991-2, which was agreed recently with bookmakers. The Bookmakers' Committee has reassured the board there is no reason to change projected betting turnover figures.

With less money in real terms available to racing from the Levy Board over the next few years, the financial crisis facing the sport will take effect even sooner than anticipated. Cowburn said: "It won't be a bad thing if there is a shake-up in the racing industry, provided it is at the bottom. If you reduce the number of horses being bred and the number of horses in training, it is not necessarily a disaster."

He commended the Marquess of Zetland's recent report, but said it showed trainers had to become more

## SNOOKER

White determined to prove his worth

JIMMY White goes into the 12-man Coaltie world matchplay tournament at Brentwood, Essex, starting today, earnestly believing that he can break Stephen Hendry's domination of the game (Steve Actonson writes).

White, ranked fourth in the world, beat John Parrott 18-9 in last year's final. He has not won a title since, although he did reach the world championship final, where he lost to Hendry, having beaten Steve Davis in the semi-finals. Considering his ability, a record of roughly one title a season is poor going, but only in recent years has "White" been a good bet.

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## Faldo is expected to do much better

MELBOURNE (AP) — Nick Faldo, the Open and US Masters champion, heads the field for the Johnnie Walker classic, which begins at Royal Melbourne today.

Faldo finished down the field in last week's Australian Open, but is expected to mount a stronger challenge after another week in Australian conditions.

His rivals include Greg Norman, the former Open champion, and Wayne Grady, Australia's US PGA champion, and Raymond Floyd, of the United States.

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## GOLF

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## Chancery Division

## Pension power subject to good faith

Imperial Group Pension Trust Ltd and Others v Imperial Tobacco Ltd and Others  
Before Sir Nicolas Browne-Wilkinson, Vice-Chancellor  
[Reasons December 3]

Where a company had the power under the rules of its pension fund to give or withhold its consent to an amendment of the rules that would be subject to an implied obligation of good faith. That did not preclude the company from having regard to its own financial interests as long as it did not breach the obligation of good faith to its employees.

But a refusal of consent for some collateral purpose, such as putting pressure on members to abandon existing rights in order that the company should obtain a benefit for itself, was an invalid exercise of the power to withhold consent.

Sir Nicolas Browne-Wilkinson, Vice-Chancellor, so held in the Chancery Division in reserved reasons for his decision on October 31 on a summons issued by Imperial Group Pension Trust Ltd, Imperial Group Pension Investments Ltd (the two corporate trustees of the Imperial Tobacco Pension Fund) and David Palmer, Anthony Philip Collington, Richard Charles Hannaford, Michael John Huchman, Gareth Davis and Geoffrey John Shelton (the committee of management of the fund).

The respondents to the summons were Imperial Tobacco Ltd (the company), Alan Jenkins, representing the pensioners under the scheme and Clive Alexander, representing the continuing employee members of the scheme.

The summons sought the determination of the court on whether the rules themselves permitted the committee of management to increase pensions without the consent of the company and, if not, whether the company in giving or withholding its consent was subject to any fiduciary or other constraint as to acting reasonably or otherwise.

Mr Jules Sher, QC, for the trustees and committee of

## Law Report December 6 1990

## Husband loses married tax allowance

Holmes v Mitchell (Inspector of Taxes)  
Before Mr Justice Vinelott  
[Judgment December 4]

A husband who shared a home with his wife but effectively lived in it as a separate household, was not entitled to the higher personal allowance under section 8(1)(a) of the Income and Corporation Taxes Act 1970.

Mr Justice Vinelott so held in the Chancery Division dismissing an appeal by the taxpayer, Mr Ronald Holmes, from a determination by Derby general commissioners refusing to accept his claims to the relief against Schedule E tax for the years 1983-84 to 1986-87 inclusive.

The taxpayer married his wife, a teacher, in 1959. By 1962 they had begun to live separate lives while remaining in the same house. The taxpayer paid all the outgoings on the house but otherwise he and his wife maintained themselves out of their own incomes.

From 1972 onwards they lived, the commissioners held, "as separate households under the same roof... and more or less ignored each other". In 1987, following an agreement reached between solicitors, the taxpayer was granted a decree of divorce absolute based on two years separation by consent.

Section 8(1) provided for the relief if a husband proved: "(i) that for the year of assessment he had his wife living with him, or (ii) that his wife is wholly maintained by him."

Section 42 provided: "(1) A married woman shall be treated for income tax purposes as living with her husband unless— (a) they are separated under an order of a court of competent jurisdiction, or (b) they are in fact separated in such circumstances that the separation is likely to be permanent."

Mr Holmes in person; Mr Laurence Henderson for the Crown.

MR JUSTICE VINELOTT said that the issue was whether the taxpayer was entitled to

## Terms of agreement not relevant to service

Paragon Group Ltd v Bunnell and Others  
Before Lord Justice Lloyd, Lord Justice Nourse and Lord Justice Ralph Gibson  
[Judgment December 4]

The terms of an agreement sought to be used upon were not relevant when a court was deciding, under Order 65, rule 4 of the Rules of the Supreme Court, whether to make an order for substituted service.

The Court of Appeal so held by a majority in dismissing an appeal by the plaintiff, Paragon Group Ltd, from Mr Justice Harman, who, on April 9, had held, on a preliminary point of law, that the relief sought in the writ did not affect the nature of the service.

Bentley v Bristol and Western Health Authority  
For the purposes of section 11 of the Limitation Act 1980, and in respect of personal injury cases involving surgical operations, a plaintiff's date of knowledge that an injury which she had suffered was attributable in whole or in part to an operation did not arise until she became aware of some act or omission which could have affected the safety of the operation.

Broad knowledge on the part of the plaintiff that the injury was caused by the operation was insufficient to set the limitation period running against her.

Mr Justice Harman so held in the Queen's Bench Division on October 10 when granting an

## Delegation of election protects union

Veness and Another v National Union of Public Employees and Others  
Where the rules of a trade union required the union to delegate the conduct of its elections to an independent returning officer and the plaintiff, who was a member of the union, was a candidate in the election, the union was not liable for the conduct of the election.

Mr John M. T. Rogers, QC, sitting as a deputy High Court judge, so held in the Queen's Bench Division on October 3 when granting an application for a declaration in accordance with the provisions of section 5 of the Trade Union Act 1984 within the statutory one-year period.

statement of claim issued by the plaintiff, Veness, and John Chalkley, suing on their own behalf and on behalf of the Hackney officers branch and general branch of NUPE.

HIS LORDSHIP said that the plaintiff had not established any breach by the first defendant in carrying out its duties. It properly delegated the conduct of the election and acted in accordance with that delegated authority.

Further, if there had been any impropriety in the holding of the election the appropriate course would have been for an application to have been made for a declaration in accordance with the provisions of section 5 of the Trade Union Act 1984 within the statutory one-year period.

## Management liable for permitting transport of unfit animals

Cheshire County Council v Helliwell & Sons (Bolton) Ltd (in liquidation)  
Senior management of a company transporting unfit animals could not escape liability since the regulations providing that no animal which was unfit was permitted to be transported by road created an offence of strict liability and a lack of knowledge of the state in which the animals had been transported was no defence.

The Queen's Bench Divisional Court (Lord Justice Taylor and Mr Justice Morland) so held on October 22 when allowing the appeal of the prosecutor by way of case stated from the decision of Knutsford Crown Court (Judge Elystan Morgan) which had allowed the appeal of the respondents, Helliwell & Sons (Bolton) Ltd, against their conviction by Chester Justices of 12 offences,

## Correction

In Police Complaints Authority v Greater Manchester Police Authority (The Times December 3) leading counsel for the Manchester authority was Mr Andrew Collins, QC.

Auntie another

THE TIMES THURSDAY DECEMBER 6 1990

Course special



# Auntie Dot set for another course win

## Mellor finds form with 25-1 double

By MANDARIN (MICHAEL PHILLIPS)

VISITORS to Uttoxeter today can rest assured that the Barry D Trentham Challenge Bowl will develop into a competitive steeplechase now that Phoenix Gold, Auntie Dot, Astre Radieux and Tactico have all stood their ground. Having won three times over the course and distance already, Auntie Dot is clearly never happier than when contesting races of this type, and she is my selection to record her fourth victory there.

On her last visit to the Staffordshire track, she ran right up to her mark even though she was taken into second place. For the winner was that good horse Peggyl Bay, who has since come out and won a grade two chase at Huntingdon where he accounted for another in the top bracket, Commandante.

Today, top weight will be shouldered by the Jimmy Fitzgerald-trained ten-year-old Phoenix Gold, who romped home by ten lengths at Wetherby last Boxing Day. On that occasion Auntie Dot finished only third.

A weight alteration and the fact that she will be as hard as nails after two races this season, whereas Phoenix Gold has not raced at all since, could easily tip the scales in favour of John Webber's mare.

Astre Radieux, who won his last three races last season, showed that he is still on the upgrade when scoring by 12 lengths on his seasonal debut there. But that has been taken into account by the handicapper, and I feel that he is too close now to a horse of Auntie Dot's ability. Likewise, the 6lb penalty that Tactico picked up when winning at Wetherby last Saturday could easily have put paid to his chance.

In going for invasion to win the EBF Intermediate Chase, I'm aware that both Mandraki Shuffie and Sooner Still have the better claims on chasing form. However, the fact remains invasion was their superior over hurdles and he also did exceptionally well to win his only race so far over fences because he slipped on landing over the third-last fence and lost all of 15 lengths in the process.

At the weights, too, Knockniss should beat Duke De Vendome in the Douglas Concrete Novices' Chase final as there was only a half a length between them at Nottingham ten days ago when they carried the same weight. However, Duke De Vendome won so snugly on that occasion that I feel that he will confirm the placing.

As far as the European Market Management Ama-

teur Riders' Handicap Chase is concerned, I like none better than Hotplate, who landed our nap in style over today's course and distance four weeks ago.

Graham McCourt had the ride then, but today Hotplate will be ridden by his trainer Ginger McCain's son Donald, who gained a wealth of experience last season when working for Oliver Sherwood.

As for McCourt, I can envisage him enjoying a profitable afternoon at Taunton where, together with the successful local trainer Ron Hodges, he must be fancying his chances of landing a treble with Lapiaffe (1.45), Came Down (2.15) and Spiffire Jubilee (3.15).

Last season, Lapiaffe took a bit of time to find his form. But when he was on song he scored at Nottingham, Newbury and Chesham. Now following that season's run behind Western and Widdan at Haydock a fortnight ago, he is napped to win the Sheppard Memorial Challenge Trophy.

At Windsor, the Foxhill Handicap Chase should go to Master Rajh following that excellent start to the season at Wolverhampton.

Blinkered first time

STAN Mellor and Mark Perrett took top honours at Huntingdon yesterday, combining to complete a 25-1 double with the Infirmary Rules (11-4) and So Proud (6-1).

Infirmary Rules gave his rivals a jumping lesson in the Long Sutton Handicap Chase, standing off a long way at several of the obstacles and giving Perrett an exhilarating ride before beating the favourite Tribute To Youth by a head.

Even Mellor, one of the winter game's most experienced exponents, was impressed. He said: "Infirmary Rules is a very brave fellow. He always attacks the fences and must be a joy to ride."

"We'll keep him to this sort of race for the time being - he's well suited by two miles on a sharp course - but will aim higher if he proves capable of his way up the weights."

So Proud scored by eight lengths in the EBF Novices' Hurdle, leading at the second last and beating the 25-1 shot Scale and odds-on favourite Fortunes Wood.

The performance prompted Mellor to say: "So Proud is a very nice horse. He's always done extremely well at home, especially at the 25-1 stakes where we've expected some."

The Ludlow starter Simon Morant and his assistant Nick Rogers have been reported to the stewards of the Jockey Club following an incident in the first race at Ludlow yesterday.

Casino Magic, ridden by the 5lb claimer Robert Bellamy, appeared to be left about 10 lengths at the start of the 2-mile Stokessays Novices' Chase.



Mellor: combined with Perrett for double

times. We thought he might be a bit green in front today, though I told Mark to keep him as prominent as he dared without taking the lead too soon. He got everything just right."

Mellor had landed only two wins before yesterday, but John Edwards's Ross-on-Wye team raced onto the 21 mark when St. Louis Blues ended the Teworth Handicap Hurdle to Tina's Lady's earlier victory at the Ludlow fixture.

### Ludlow starter reported

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### TAUNTON

Selections  
By Mandarinn

12.45 Manuale Del Utenie. 1.15 Zummersel. 1.45 LAFIAFFE (nap). 2.15 Came Down. 2.45 Cooks Lawn. 3.15 Spiffire Jubilee.

Going: good to firm

12.45 CHARD SELLING HURDLE (€1,758: 2m 10yds) (15 runners)

- 1 3190 AMBASSA 24 (P) J. J. Barry 4-11-7. J. Barry
- 2 3191 AMBASSA 24 (P) J. J. Barry 4-11-7. J. Barry
- 3 3192 AMBASSA 24 (P) J. J. Barry 4-11-7. J. Barry
- 4 3193 AMBASSA 24 (P) J. J. Barry 4-11-7. J. Barry
- 5 3194 AMBASSA 24 (P) J. J. Barry 4-11-7. J. Barry
- 6 3195 AMBASSA 24 (P) J. J. Barry 4-11-7. J. Barry
- 7 3196 AMBASSA 24 (P) J. J. Barry 4-11-7. J. Barry
- 8 3197 AMBASSA 24 (P) J. J. Barry 4-11-7. J. Barry
- 9 3198 AMBASSA 24 (P) J. J. Barry 4-11-7. J. Barry
- 10 3199 AMBASSA 24 (P) J. J. Barry 4-11-7. J. Barry
- 11 3200 AMBASSA 24 (P) J. J. Barry 4-11-7. J. Barry
- 12 3201 AMBASSA 24 (P) J. J. Barry 4-11-7. J. Barry
- 13 3202 AMBASSA 24 (P) J. J. Barry 4-11-7. J. Barry
- 14 3203 AMBASSA 24 (P) J. J. Barry 4-11-7. J. Barry
- 15 3204 AMBASSA 24 (P) J. J. Barry 4-11-7. J. Barry

1.45 SOUTH WEST RACING CLUB HANDICAP CHASE (€2,374: 2m 21yds) (6)

- 1 111- QUARRY TOWN 20 (P) J. Edwards 7-11-10. N. Williams
- 2 112- QUARRY TOWN 20 (P) J. Edwards 7-11-10. N. Williams
- 3 113- QUARRY TOWN 20 (P) J. Edwards 7-11-10. N. Williams
- 4 114- QUARRY TOWN 20 (P) J. Edwards 7-11-10. N. Williams
- 5 115- QUARRY TOWN 20 (P) J. Edwards 7-11-10. N. Williams
- 6 116- QUARRY TOWN 20 (P) J. Edwards 7-11-10. N. Williams

1.45 GAY SHEPPARD MEMORIAL CHALLENGE TROPHY HANDICAP HURDLE (€2,380: 3m) (8)

- 1 443 LAPIAFFE 14 (P) J. J. Barry 4-11-7. J. Barry
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### Selections

By Mandarinn

12.45 Manuale Del Utenie. 1.15 Zummersel. 1.45 LAFIAFFE (nap). 2.15 Came Down. 2.45 Cooks Lawn. 3.15 Spiffire Jubilee.

Going: good to firm

12.45 CHARD SELLING HURDLE (€1,758: 2m 10yds) (15 runners)

- 1 3190 AMBASSA 24 (P) J. J. Barry 4-11-7. J. Barry
- 2 3191 AMBASSA 24 (P) J. J. Barry 4-11-7. J. Barry
- 3 3192 AMBASSA 24 (P) J. J. Barry 4-11-7. J. Barry
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# Supporters united behind a club worth fighting for

By WALTER GAMMIE

TEN years ago, Atherstone Town football club folded under the burden of its debts. At the winding up meeting a group of supporters passed round the hat and collected £64.49. It was the birth of Atherstone United.

On Saturday, the club the supporters built, now in the upper reaches of the Beazer Homes League, will enjoy its biggest day out as it takes a trip to Crewe Alexandra, of the third division, in the second round of the FA Cup.

Five of the club's founders remain, including Pat Barber, the chairman, to enjoy the good times after two early years of struggle, as the new Atherstone United started by taking over the old Town's reserve fixtures. The players stayed to play for nothing. The old club had owned the Sheepy Road ground but sold it to the council and also sold its large social club to clear a £90,000 debt. Atherstone, therefore, have no tangible assets.

The setting up of a highly effective team, however, brought the club a surge of prosperity and propelled it from the West Midlands League divisions to the Beazer Homes League premier division, where Atherstone Town had played when they were forced out of business.

The rise of the club has been



FA CUP

quietly satisfying to its loyal corp of 500 supporters, among the 8,500 population, as Atherstone have put into the shade the better-known clubs that lie respectively five miles to the north, Tamworth, and five miles to the south, Nuneaton Borough.

The team, remarkably for a top flight non-League club, does not include a player with Football League experience, having been steadily built over the past seven seasons by Roy Bradbury, a manager spotted working with Bermuda WMC and Hurley Dawmill in the local amateur leagues.

"He's unique," Keith Allen, the club secretary, said. "He's very much a motivator, there are no frills about him. He works hard and is his own man. Nobody tells him who to pick and the way to play."

Bradbury's coach, Bob Stockley, knows a thing or two about defying the odds in the Cup as he played right back in the Wimbledon side, from the Southern League, that beat Burnley, of the first division, and drew 0-0 at

Leeds before going out in a replay.

Atherstone enjoyed a nine-match run of wins before coming unstuck against Wivenhoe, of the Vauxhall League, in the FA Trophy on Saturday and losing 3-1 to Worcester City, the League leaders, at home on Monday.

Even though Atherstone do not hold high hopes of success against Dario Gradi's crew, they know they will add another slice of history to their rapidly growing treasure store of memories. Allen has particular fondness for a photograph in the board room of a scoreline reading Aston Villa 0, Atherstone 1, taken at a Birmingham Senior Cup semi-final against Villa's reserves last season.

The money from the Cup run will be welcome. Atherstone need to raise between £40,000 and £50,000 to build extra seats and fencing to meet requirements to remain in the Beazer Homes League premier division next season. Locally based multi-national companies have not helped, the council is unlikely to and the club has nothing against which to back loans. So the resilient football supporters are ready to fall back upon their own resources yet again.

"We are very determined," Allen said. "It is something that we will do."



A winning partnership: The chairman, Pat Barber (left), and the manager, Roy Bradbury, who have helped a reborn club to become resurgent

## FOOTBALL

## Paraguayans ready and confident for world club match

TOKYO (Agencies) — The coach and players of Olimpia Asuncion, of Paraguay, said yesterday that superior technique would earn them victory against Italy's AC Milan in Sunday's world club championship in Tokyo. Luis Cubilla, the coach, and the players said that they were well prepared for the fast and powerful European and world club champions.

"I think technique is superior to power. So, we are confident of winning the match," Cubilla said after arriving in Tokyo with his 18-member squad. Cubilla said they have been preparing for Sunday's match ever since winning their second South American championship in October. "Fortunately, we

watched Italian league matches on TV live every Sunday in our country. Also, we have made other studies on the opponents," Cubilla said. "Sunday's match is not an easy one but we are prepared mentally and physically for victory," Luis Alberto Monzon, a midfielder player, said.

Olimpia's desire to win the championship is all the more acute because the first time they took the title, in 1979, they were unable to play the European champions. The Paraguayans won the world club title that year against Malmö, of Sweden, the runners-up in the European Cup, because Nottingham Forest, the champions, could not fit the match into their schedule.

### Parker out for months

PAUL Parker, the Queen's Park Rangers defender, is likely to be unavailable to club and country for the next three months after an exploratory knee operation revealed ligament damage of a very serious nature than originally thought. (Clive White writes). Parker is certain to miss the England match early in February with Cameroon.

Supporters wanting to go to England's European championship game against the

Republic of Ireland at Wembley in March will have to say which team they are supporting before being issued with tickets.

Ian Bowyer, dismissed as manager by Hibernian United in June, has withdrawn a claim of unfair dismissal.

## YACHTING

## McIntyre left counting costs of his capsizes

By BARRY PICKTHALL

AS JOHN Martin worked to maintain a 240-mile lead in the BOC Challenge, the single-handed round the world race, McIntyre yesterday talked of the dramatic capsizes he suffered on Tuesday.

His 50R Australian yacht, Sponsor Wanted, was knocked flat by a wave that broke over the boat while he was lying in his bunk. After being pinned against the cabin deck, McIntyre reported that dirty dishes that had been piled up in the sink flew all around the cabin. "Gear is in the worst places after the roll-over. I still cannot find any plates," he said.

McIntyre also reported that the wind instruments had been blown from the mast-head, the yacht's radar stock appeared to have been damaged and the wind generator, which had lost some of its blades, had also been bent.

Further back in the fleet, Josh Hall, the British yachtman, remains second in Class 2, but the leading Frenchman, Yves Dupascquier, in Servant, has now pulled out a 211-mile lead

during this second 7,000-mile stage, from Cape Town to Sydney.

More tenuous is the lead in the Corinthian class, which is held by Robin Davis, the Cornishman. Yesterday the advantage he holds over second-placed Paul Thackeray, who won the first leg and started three days behind the fleet from Cape Town, had narrowed to just three miles, as the American's larger yacht, Volcano, surfed along at 10 knots compared to Davis's 6.9.

LEADING POSITIONS (at 7.44 GMT yesterday, with miles to Sydney): 1. Sponsor Wanted (A. McIntyre, 50R, 3,556 miles); 2. Inkeeper (D. Adams, 40R, 3,571); 3. General Commodore (C. Angus, 3,582); 4. J. J. J. (J. J. J., 3,583); 5. J. J. J. (J. J. J., 3,584); 6. J. J. J. (J. J. J., 3,585); 7. J. J. J. (J. J. J., 3,586); 8. J. J. J. (J. J. J., 3,587); 9. J. J. J. (J. J. J., 3,588); 10. J. J. J. (J. J. J., 3,589); 11. J. J. J. (J. J. J., 3,590); 12. J. J. J. (J. J. J., 3,591); 13. J. J. J. (J. J. J., 3,592); 14. J. J. J. (J. J. J., 3,593); 15. J. J. J. (J. J. J., 3,594); 16. J. J. J. (J. J. J., 3,595); 17. J. J. J. (J. J. J., 3,596); 18. J. J. J. (J. J. J., 3,597); 19. J. J. J. (J. J. J., 3,598); 20. J. J. J. (J. J. J., 3,599); 21. J. J. J. (J. J. J., 3,600); 22. J. J. J. (J. J. J., 3,601); 23. J. J. J. (J. J. J., 3,602); 24. J. J. J. (J. J. J., 3,603); 25. J. J. J. (J. J. J., 3,604); 26. J. J. J. (J. J. J., 3,605); 27. J. J. J. (J. J. J., 3,606); 28. J. J. J. (J. J. J., 3,607); 29. J. J. J. 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## SPORT

## Expert rejects Aga's claim

By RICHARD EVANS

NEVILLE Dunnett, the head of the Horseracing Forensic Laboratory at Newmarket, whose work prompted the Aga Khan's dramatic boycott of British racing, yesterday defended his scientific methods and findings — and attacked the "nonsense" of the Aga's experts.

In a defiant response to the welter of criticism aimed at his laboratory and its drug-testing techniques by international scientists employed by the Aga, Dunnett insisted: "HFL leads the world in equine drug testing."

The laboratory discovered 3-hydroxycamphor (3-HC) in a urine sample taken from Alyssa after she won the Oaks in 1989 and said the source was camphor, a prohibited substance. The Aga's team of experts showed that 3-HC could also come from borneol, which is found in foodstuffs and bedding such as wood-shavings.

"Owners and trainers can be reassured that bedding horses on woodshavings and normal feeding will not give rise to a positive finding of 3-HC by HFL methods," Dunnett said in a statement.

The scientists from the United States and Canada, employed by the Aga to dispute the HFL findings, were unanimous in condemning the HFL tests when the leading owner-broeder announced on Tuesday that he was removing all his horses from British racing.

Dunnett, director of HFL, travelled to London yesterday for a lengthy meeting with executives from the Jockey Club, the Levy Board, which funds the laboratory, and the Horseracing Scientific Advisory Committee (HSAC) in order to discuss the Aga's specific criticism about equine drug testing in Britain.

"In September 1990, the Aga Khan's experts claimed that the undisputed presence of 3-HC in Alyssa's urine could be due to her feed, basing this claim upon a series of administration experiments performed in California."

"HFL agreed that these experiments illustrated the theoretical possibility of borneol being converted to camphor and then 3-HC, but stressed that they bore no relationship to real life, normal feeding and husbandry of a racehorse."

"The doses of camphor and borneol administered in California were equivalent to feeding a horse, in a single session, with 40 tonnes of alfalfa hay, about two tonnes of carrots or a lorry load of woodshavings. Clearly, this is nonsense."

"Subsequent research at HFL confirmed that horses kept under Alyssa's stabled normal feeding regime did not produce borneol or 3-HC. Horses bedded on woodshavings produced low levels

of borneol, but no 3-HC detectable by the HFL drug testing method.

"For very good practical reasons, recognised by equine forensic laboratories worldwide, the testing methods used at HFL are designed to detect a wide range of prohibited substances."

He stressed that drug testing and research work at Newmarket was overseen by an independent committee of experts. HFL employed formal quality control and quality assurance procedures. It used the latest equipment, developed and used the latest technology and employed over 60 experienced and highly qualified staff.

"HFL's high international standing is evidenced by its many contracts with overseas racing authorities and other international bodies for the provision of a forensic analysis service," Dunnett said.

Professor Bob Smith, chairman of HSAC and an expert witness for the Jockey Club at the Alyssa enquiry, said: "The advisory committee remain assured that HFL works to the highest standards possible in equine forensic analysis."

The defiant tone of Dunnett and Smith was in contrast to the comments made yesterday by Michael Stoute and Luca Cumani who will each lose 45 horses, training fees of about £750,000 and top prizes due to the Aga's withdrawal from British racing.

Stoute, who trained Shergar and Shahrazad to win the Epsom Derby for the Aga, said it was a great disappointment to be losing his string of horses.

"He will be irreplaceable as an owner because of his knowledge and understanding and it has been an enormous pleasure to be associated with him and his team. My staff is very sad for it has formed a great attachment to the families that it has looked after. Nevertheless, I am fully understanding and supportive of the decision he has taken."

Cumani, trainer of Kahyasi, who also won the Derby for the Aga, called on all parties "to refrain from entrenching positions and seek a common ground on which this issue can be debated and resolved for the good of racing."

Although the loss of 45 horses would be a severe blow to his training career, the loss of jobs would be a more devastating blow to the lives of so many men and families who relied on his ability to maintain a large and successful training establishment. Cumani pledged to do his utmost to protect staff jobs in coming months.

"I know that His Highness has arrived at his decision after careful and deep thought, and I have the utmost respect for his judgment."



Turning their backs: Ghislain Drion, the Aga Khan's stud manager in Ireland, at Tattersalls' sales yesterday

## A town counting the cost

By JOHN SHAW

THE early-morning sky was greyer and the wind more biting on the gallops at Newmarket yesterday as the trainers watched their racehorses and reflected on the Aga Khan's decision to withdraw his string from Britain.

His family has had a connection with Newmarket since the first world war, and in recent years he has been one of the few owners able to stand up to the Arab presence in British racing.

His 90 horses are divided between Michael Stoute and Luca Cumani, both Newmarket based, who between them took the green and red silks to three Derby victories in the 1980s. Both men kept a low profile yesterday. But the Aga's protest at the Jockey Club's disqualification of his 1989 Oaks winner was the sole topic of conversation in a racing town (population 17,500) swollen with an international crowd of breeders, agents attending Tattersalls' December sales, the

biggest bloodstock auction of its kind in Europe.

The first eight of the Aga's 56-strong consignment of horses at the sales sold for a total of 63,600 guineas. The remainder will be auctioned during the next two days.

Stoute caught the mood of the town when he said: "Because of his knowledge and understanding, he will be irreplaceable. It has been an enormous pleasure to be associated with him and his team. My staff are very sad, for they have formed a great attachment to the family they have looked after; nevertheless, I am fully understanding and supportive of the decision he has taken."

The loss of the Aga's horses will hurt Newmarket. The fees for training a top-class horse can be as high as £250 a week, and all those empty stalls will put the jobs of 25 to 30 stable staff in the balance. It will have a longer-term effect on the town's farriers, saddlers, vets and other professionals. Simon Curtis, a farrier who

works for the two stables, said the decision would have an undoubted financial effect. He thought the decision was correct and that the integrity of racing should be maintained.

"Mr Stoute and Mr Cumani have given him three Derby winners in 10 years and that says everything to me about the quality of training in Newmarket," he said.

Elizabeth Butcher, of Gibson Saddlery, said the withdrawal was "a big blow to Newmarket. Ninety horses taken out of the town is quite considerable and it is obviously going to have a big effect just before Christmas".

Gibson Saddlery holds royal warrants to the Queen and Queen Mother. It has been making racing silks for many years and also supplied both stables.

The wider view was taken by Alan Gibson, director of Januarys Black Horse Agencies, which specialises in equestrian properties. "The problems of racing are far more important and fundamental than the problems of the Aga Khan," he said.

"The question of revenue from the betting levy and/or the government and the profound effect of VAT after 1992 are all pressing. Unless this position is changed, we will have the ludicrous situation of facing 15 per cent VAT in this country and a figure as low as two to 2.5 per cent in other European countries."

There are two veterinary practices in Newmarket and each supports about 12 vets. David Ellis, of Simpson and Partners, said: "If you have 60 fewer horses requiring attention, it is bound to have some effect, but bear in mind there are more than 2,000 in training here."

Tattersalls, founded in 1766, was full of predictions about where the Aga's horses would go; Ireland, France or the United States. The firm sold horses worth £36 million to 39 countries last year but, because of the recession, sales are expected to be down this year by at least 30 per cent.

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## Anxious Gooch gets his hand in a week early

FROM ALAN LEE, CRICKET CORRESPONDENT, PERTH

GRAHAM Gooch, the England cricket captain, accelerated his comeback from a hand operation by a full week yesterday when he batted, in the Perth nets, for the first time in almost a month. This unannounced and unexpected development indicates the growing anxiety of Gooch to resume command.

Gooch batted for 20 minutes, against three slow bowlers, with his troublesome finger in a plastic guard. He also bowled a few gentle deliveries without discomfort and then, remarkably, said: "I could play in our game on Friday if I only had to bat. But I could not sustain a blow on the hand in the field. It could be a few days, or much longer, before I am all right to field."

Gooch indulged in some gung-ho talk to make it plain that he is, at least mentally, back in charge. "We are not batting well," he said. "In fact, none of our game is in order, but we are going to fight back. No side that I am involved with is going to give up."

Gooch could return to the side for the World Series Cup matches in Brisbane the weekend after this, but England remain in disarray for their two games here, against New Zealand tomorrow and Australia on Sunday.

It was only during the nine-hour journey to Perth that the tour management confirmed that Allan Lamb, the acting captain, had joined the casualty list. Lamb is suffering from fibrositis, and has been for several days. This may at least be partially covered by the wooden way in which he has batted in the past week, although it does not explain why a team manager should subject the captain to criticism

rather than making it plain that he has been operating under a handicap.

If the neck spasms are severe, it also fails to explain why Lamb played in the minor match in Canberra rather than resting and having treatment. The team's physiotherapist, Laurie Brown, confirms that Lamb was "below 100 per cent fit".

In Lamb's absence the captaincy would have passed to David Gower, a contingency which could not have been foreseen when the tour began. It would also have forced the inclusion of Hugh Morris, who would undoubtedly embarrass the selectors, and their original selections, if he made an unavoidable case for retention by scoring heavily.

Lamb is not certain to play tomorrow and Gower is unlikely to have recovered from his chipped and bruised thumb, though it is hoped he will be available for Sunday's game. The next logical captain is Wayne Larkins, whose form hardly merits inclusion and who is still complaining of the effects of a severe mouth abscess. Eddie Hemmings, the fifth over-30 and sole over-40 in the party, is recovering only slowly from his calf strain and his place should go to Philip Tufnell.

To add to the worries, three of the seam bowlers, Small, Fraser and Bicknell, have minor chest infections. It was hardly surprising that Robin Smith agreed yesterday to forgo his previously agreed maternity leave. His wife, Cathy, gave birth to a son on Tuesday but Smith will stay with the team through an increasingly fraught month.

Tufnell's chance, page 38

## Gower's socks no match for new rule

By RICHARD STREETON

IS HAMPSHIRE'S status in danger because of David Gower's socks? A local radio station, hearing that proposed new dress regulations outlawed anything other than white or light-grey socks, rang Lord's yesterday to ask if Gower's penchant for wearing odd and brightly coloured socks was a threat to Hampshire's first-class status.

"I bit my tongue and gave a short 'No'," Peter Smith, the Test and County Cricket Board's spokesman, said. Until Gower started to wear a blue sock on one foot and a red on the other, or a green and a yellow, the authorities never had occasion to legislate on the matter.

A TCCB working party, tackling weightier dress issues, such as advertising logos and slogans on shirts and equipment, quickly added socks to their deliberations last autumn.

It was unanimously agreed that white or light-grey socks must be worn and the new ruling was implemented in time for England's tour of Australia.

Australian susceptibilities have not thus far been tested, although a nation that introduced coloured clothing for its night games might not be so easily offended.

Gower complied when told that the days of odd, coloured socks had gone.



The best thing about Jenny's Christmas is that her father gets too drunk to sexually abuse her.

Children everywhere are looking forward to Christmas. Jenny's no exception. For her, and others like her, Christmas isn't remembered for the decorations or the gifts, but for a break from the usual sexual abuse. But a donation of just £25 from you would enable an NSPCC Child Protection Team to make the first visit. So that the abuse can not only stop for Christmas — but for good.

I WANT TO HELP A CHILD IN NEED RIGHT NOW. I enclose my Cheque/Postal Order for:

£75 £50 £25 £

I would like to donate by Access/Visa, expiry date:

Send your donation to: Christopher Brown: Ref 911595 NSPCC FREEPOST, London, EC1B 1QQ. Or call free on 0800 777609.

NAME: Mr/Mrs/Ms/Miss

ADDRESS:

POSTCODE:

NSPCC

## Leading sportsmen back London bid

GARY Lineker and Daley Thompson are to support Sebastian Coe's attempt to have the 2000 Olympic Games staged in London.

Organisers revealed yesterday that the England football captain and the former Olympic decathlon champion have agreed to "play an active, practical" role in backing the campaign by Coe's team.

They also announced that Virginia Wade, the former Wimbledon champion, Virginia Leng, the European three-day event champion, and Adam Faith, the entertainer, along with London transport, police and tourist chiefs, have joined the co-ordinating team.

It is also believed that Coe's "London Olympics 2000" company will be putting forward famous venues like Wembley Stadium, the Albert Hall and Wimbledon as potential Olympic sites in an effort to be nominated as Britain's candidate city for 2000.

The British Olympic Association will decide later this month whether it will sanction any bid. If it does, London will have to fend off a challenge from Manchester to earn the right to be Britain's candidate.

With transport, security and tourist image being key areas, Lawson said that the London Transport chairman, Wilfred Newton, Metropolitan police superintendent Peter Bean and the London Tourist Board chairman, Dame Sheldagh Roberts, had agreed to join the team.

While researching the history of real tennis, Roger Morgan, formerly treasurer of the Cambridge University real tennis club, came across a comparatively recent translation by Tony Negretti of a work published in Venice in 1555 by Antonio Scaino, entitled *Trattato del Giuoco della Palla* (Treatise on the Ball Game).

It deals with various ball games, differing in form and locale but

## ABA dismisses women officials

By LOUISE TAYLOR

FOUR women officials have been forced to resign from the Amateur Boxing Association (ABA) because of the implementation of a 12-year-old regulation precluding females from holding executive positions.

The regulation, which has never been published in its rule book, was invoked after Carmel Carney, the former treasurer of the south-east division, applied for the position of assistant secretary with the ABA. Not only did Carney not get the job, but she lost her south-east division post. Three other female ABA area officers were subsequently ordered to relinquish their regional roles.

Linda Shaw, Ann May and Linda Setford have been forced to abandon executive positions with Surrey, Kent

and Southern Counties, respectively. Their involvement is now restricted to club level.

Joe Lewis, the ABA secretary, yesterday said: "If Mrs Carney had become our assistant secretary, she would have had to enter changing rooms. That would have embarrassed the men, and our position is within the law. We are, nevertheless, taking legal advice. It is unfortunate that the regulation did not appear in the rule book; it was an oversight. But there is nothing to stop women becoming club secretaries."

Carney said yesterday: "There are two many old men on the ABA executive who want to keep power for themselves and prevent progress. The point is that in jobs like treasurers and secretaries women do not go into chang-

ing rooms. In 20 years' involvement in boxing I have never needed to go into a dressing-room."

"Between the four of us, we have ten years experience on the executive of regional divisions. What right has the ABA to suddenly take that away from us? It is illogical. The ABA is quite happy for women to do the housework, washing, and ironing, but it does not want us to actually peg the clothes out on the line."

The four women have complained to the Sports Council, which provides the ABA with £150,000 per year, the Equal Opportunities Commission (EOC), and George Wimpey, sponsors of amateur boxing.

A spokeswoman for the Sports Council said yesterday: "We are very concerned about this. We have spoken to the

EOC, who say that the ABA's action is probably within the law, but we will be reconsidering the ABA grant."

Setford said: "We were absolutely staggered that something like this should happen in 1990. The job is purely administrative; it is not crazy. As the rule does appear in the rule book I have asked to see the minutes of the meeting when it was introduced, but have so far been refused. I am making legal advice in an effort to get the ABA to produce it."

"I have been elected to all the posts I have held by people who believed I was capable of doing the job. I think it is a tragedy that people who have a wealth of experience and who are willing to put a lot of effort into the job are barred purely because of their sex."

## Italian medieval masters of the oval ball game

RUGBY union has long acknowledged that, whatever William Webb Ellis may or may not have done at Rugby School in 1823, the origins of the sport can be identified in far earlier times, in medieval street football, for example, and even among relaxing Roman legionaries.

However, a retired doctor from Cambridge has helped cast new light on rugby's history by drawing attention to a remarkably similar game played in Italy in the sixteenth century.

While researching the history of real tennis, Roger Morgan, formerly treasurer of the Cambridge University real tennis club, came across a comparatively recent translation by Tony Negretti of a work published in Venice in 1555 by Antonio Scaino, entitled *Trattato del Giuoco della Palla* (Treatise on the Ball Game).

It deals with various ball games, differing in form and locale but

length, a certain space is marked off within which those who wish to win the battle must send the ball."

The players can strike the ball with any part of the body or "pick it up, hold it in his hands and carry it (a glorious feat) within the enemy's markings. Only he is forbidden to throw it whilst holding it in his hand and when this happens it is returned to the skirmish". Even the use of the word skirmish in translation resembles very closely scrummage.

The game began with a kick-off and players were chosen for their differing attributes. The treatise goes on: "Some must be good runners [today's backs?], the others strong at resisting the enemy onslaught [forwards?], others expert at meeting the ball [half backs?], others clever at joining the skirmish [loose forwards?]."

The sides were arranged in triangular fashion and those at the tip of the triangle were advised to leave the ball for those

behind whose opportunity for reaching the in-goal area was better. "Some of the strong men will form a wing for the runner to run down the field with the ball in hand and the advance guard will confront the adversaries so that he has a free and unimpeded passage ... This game of football, though not devised with such rare art as is found in other ball games, is notwithstanding a most delightful game which affords much pleasure, especially to beholders, presenting more than any other an image of a real battle in which very off-time now here, now there, the players fall in great disarray and upside down, a game in which more than in all other ball games, the value of good runners and those dextrous and strong at wrestling is disclosed."

Dr Morgan, who played rugby as a young man, observed: "The Webb

Ellis story strikes me as historical nonsense because the ball was often picked up and carried in medieval football, in the fast-day games here and in France, where it was called *shoule*. The interesting thing about Scaino's book is the structure of the game, which is very similar to the lay-out of a modern rugby football game. It's not a free-for-all mêlée up and down the village street. This is highly organised."

By a curious coincidence, after the annual meeting of the International Rugby Football Board in March, the Italian Rugby Federation will be permitted a representative on the board for the first time. Perhaps it is Britain and her former colonies who should be seeking access to the Italian code.

Carling cleared, page 38